

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	Electrical Contractors Association				
Year ended:	31 December 2019				
List No:	120E				
Head or Main Office:	Rotherwick House				
	3 Thomas More Street				
	St Katherines & Wapping				
	London				
Postcode	E1W 1YZ				
Website address (if available)	www.eca.co.uk				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Martyn Burnley				
Contact name for queries regarding the completion of this return:	Terry Foreman				
Telephone Number:	01732 471786				
E-mail:	terry.foreman@eca.co.uk				

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
2,602	24	39	1	2,666

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
President	Malcolm Crofts	Jim Pridham	01 May 2019
Senior Vice President	Jim Pridham	Gary Worrall	01 May 2019
Vice President	Gary Worrall	David Lewis	01 May 2019
Immediate Past President	Mike Smith	Malcolm Crofts	01 May 2019

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year		£	£
	Income		
	From Members	4,531,205	4,531,205
	Subscriptions, levies, etc		
	Investment income		
	Interest and dividends (gross)		
	Bank interest (gross)	453	453
	Other (specify)		
	Dividends	895,066	895,066
	Other Investment income	34,720	34,720
	Share of Associates	1,658,685	1,658,685
	Total Investment Income	2,588,924	2,588,924
	Other Income		
	Rents received	423,306	423,306
	Insurance commission	3,637,422	3,637,422
	Consultancy fees		
	Publications/Seminars		
	Miscellaneous receipts (specify)		
	H&S Assessment income	835,219	835,219
	Sundry Income	194,895	194,895
	Total of other income		5,090,842
	Total income		12,210,971
	Interfund Transfers IN		
	Expenditure		
	Administrative expenses		
	Remuneration and expenses of staff	5,639,025	5,639,025
	Occupancy costs		
	Printing, Stationery, Post		
	Telephones		
	Legal and Professional fees		
	Miscellaneous (specify)		
	Other costs	4,219,510	4,219,510
	Total of Admin expenses		9,858,535
	Other Charges		
	Bank charges		
	Depreciation		
	Sums written off		
	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
	Miscellaneous (specify)		
	Profit/loss on assets	-348,320	-348,320
	Profit/loss on investments	-4,266,069	-4,266,069
	Profit/loss on Associates	-291,780	-291,780
	Pension deficit movement	579,000	579,000
	Total of other charges		-4,327,169
	Taxation	47,071	47,071
	Total expenditure		5,578,437
	Interfund Transfers OUT		
	Surplus/Deficit for year		6,632,534
	Amount of fund at beginning of year		55,384,360
	Amount of fund at end of year		62,016,894

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
[Greyed out area]			
		Total Income	
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
[Greyed out area]			
		Total Expenditure	
	Interfund Transfers OUT		
			Surplus (Deficit) for the year
			Amount of fund at beginning of year
			Amount of fund at the end of year (as Balance Sheet)

Account 7		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
[Greyed out area]			
		Total Income	
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
[Greyed out area]			
		Total Expenditure	
	Interfund Transfers OUT		
			Surplus (Deficit) for the year
			Amount of fund at beginning of year
			Amount of fund at the end of year (as Balance Sheet)

Balance Sheet as at []

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	1,444,662	1,444,662
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		14,640,943
	Total Investments	14,640,943	14,640,943
	Other Assets		
	Sundry debtors	2,948,045	2,948,045
	Cash at bank and in hand	9,415,392	9,415,392
	Stocks of goods		
	Others (specify)		
	Quoted investments	39,662,171	
	Total of other assets	52,025,608	52,025,608
	Total Assets		68,111,213
55,384,360	Revenue Account/ General Fund	62,016,894	
	Revaluation Reserve		
	Liabilities		
	Creditors	6,082,319	
	Pension deficit	12,000	
	Total Liabilities		6,094,319
	Total Assets		68,111,213

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	2,006,935	808,150		2,815,085
Additions during period		104,812		104,812
Less: Disposals		-15,270		-15,270
Less: Depreciation	-654,634	-805,331		-1,459,965
Total to end of period	1,352,301	92,361		1,444,662
Book Amount at end of period	1,352,301	92,361		1,444,662
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	1,352,301	92,361		1,444,662

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	ESCA Estates Ltd	9,185,226
	Bluesky Trustee Co	50
	Certsure LLP	789,000
	Investment Properties	4,666,667
	Total Unquoted (as Balance Sheet)	14,640,943
	Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

Analysis of investment income (Controlling interests)

(see note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes

No

If Yes name the relevant companies:

Company name

Company registration number (if not registered in England & Wales, state where registered)

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes

No

If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name

Names of shareholders

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes

No

If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name

Names of shareholders

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	4,531,205	4,531,205
From Investments	2,588,924	2,588,924
Other Income (including increases by revaluation of assets)	5,090,842	5,090,842
Total Income	12,210,971	12,210,971
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	5,578,437	5,578,437
Funds at beginning of year (including reserves)	55,384,360	55,384,360
Funds at end of year (including reserves)	62,016,894	62,016,894
ASSETS		
Fixed Assets		1,444,662
Investment Assets		14,640,943
Other Assets		52,025,608
Total Assets		68,111,213
Liabilities		
Total Liabilities		6,094,319
Net Assets (Total Assets less Total Liabilities)		62,016,894

Notes to the accounts

(see note 34)

All notes to the accounts must be entered on or attached to this part of the return.

Accounting policies

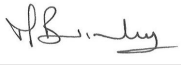

(see notes 35 & 36)



Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Martyn Burnley	Name:	Gary Worrall President
Date:	3rd August 2020	Date:	3rd August 2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

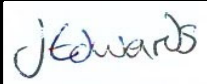
Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

Signature(s) of auditor or auditors:		
Name(s):	Jessica Edwards	
Profession(s) or Calling(s):	Accountant	
Address(es)	10 Queen Street Place, London, EC4R 1AG	
Date:	03 August 2020	
Contact name for enquiries and telephone number:	Jessica Edwards 02079695607	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

INDEPENDENT AUDITORS' REPORT TO THE ELECTRICAL CONTRACTORS' ASSOCIATION

We have audited the attached financial statements of The Electrical Contractors' Association for the year ended 31 December 2019 which comprise the Consolidated Income Statement, the Consolidated Statement of Financial Position, the Association Statement of Financial Position, the Statement of Cash Flows, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Association, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association as a body, for our audit work, for this report, or for the opinions formed.

Respective responsibilities of directors and auditors

The Council's Members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally Accepted Accounting Practice).

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with applicable law and the United Kingdom Accounting Standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standard on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable law, United Kingdom Accounting Standard and the Industrial Relation (NI) Order 1002. We also report to you if, in our opinion, the Council's Report or Strategic Report of the Council is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Association is not disclosed.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Association's affairs as at 31 December 2019 and of the group result for the year then ended;
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (Consolidation) Act 1992;

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
Date 03/08/2020

10 Queen Street Place
London
EC4R 1AG

THE ELECTRICAL CONTRACTORS' ASSOCIATION
CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2019

The Electrical Contractors' Association

Strategic Report Of The Council

For The Year Ended 31st December 2019

The Council presents their strategic report for the year ended 31st December 2019.

PRINCIPAL ACTIVITIES

The Association is a Trade Association which deals with technical, legal, contractual, education and training, and labour relations matters in the electrical contracting industry, maintaining contact with the electricity supply authorities and supplying members with statistical and other information. In addition the Association, through its group companies, provides various commercial and insurance services.

KEY PERFORMANCE INDICATORS

The Group's main source of income derives from subscriptions, insurance services and investments. The Association uses a range of key performance indicators to measure its performance:

- Membership numbers
Membership fell from 2,653 to 2,627 in 2019.
- Investments
Investments are held to provide a dividend return and capital growth to help fund the Group's activities.

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

The operating surplus before movements on capital of investments was £2.4m compared to a surplus of £0.6m in 2018.

FINANCIAL POSITION AT THE REPORTING DATE

The Association's net assets have increased by £6.6m to £62m. The Association had cash at bank of £9.4m.

PRINCIPAL RISKS FACING THE BUSINESS

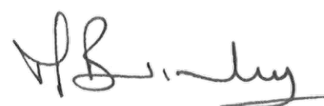
As a membership organisation the support of members is crucial in continuing to be a body representative of its sector in the market place. Any reduction in this support is seen as a principal risk facing the Association.

Council, mindful of the considerable impact that the Lloyd's venture had on the Association's reserves, has implemented changes to the business model of the Association, so that the provision of its core member services and benefits become less reliant on future returns from commercial investments and any drawdown from reserves. The journey continues and those targets are on course to be met without any reduction in members' services. The sale of EC Insurance Company Ltd in 2017 further de-risked the business model.

The defined benefit pension scheme position as detailed in note 21 is an ongoing issue. The Trustees have developed an investment strategy which will be more reactive to market conditions and over time will be more aligned to the scheme's liabilities.

The Covid-19 pandemic which broke out in 2020 will have a potentially widespread and long term economic impact on member businesses, which the Association will mitigate by providing relevant advice to members and through influencing Government and other bodies to ensure member businesses receive support. The Association itself faces some additional operational challenges due to the restrictions on travel and office facilities, these have been mitigated by systems that allow for offsite working for nearly all employees. The financial impact on the Association is being closely monitored.

ECA Court
24-26 South
Park
Sevenoaks
Kent
TN13 1DU



By Order of the Council
M J BURNLEY
Secretary
25 June 2020

The Electrical Contractors' Association

Report Of The Council

For The Year Ended 31st December 2019

The Council presents their report and financial statements for the year ended 31st December 2019.

FINANCIAL INSTRUMENTS

The Association's principal financial instruments comprise bank balances, investments, other debtors, and other creditors. The main purpose of these instruments is to finance the Association's operations. The Association manages its cash requirements to maximise interest income and minimise bank charges whilst ensuring that it has sufficient liquid resources to meet the operating needs of its business.

FUTURE DEVELOPMENTS

Council consider that the forthcoming year will be a challenging year in terms of retention and growth in membership. The strength of the UK economy is uncertain but the contracting and building services sector, where our members operate, does appear to have a core workload despite the economic impact of Covid-19.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

During the year the Electrical Contractors' Association Limited, EC Insurance Holdings Limited and the EC Insurance Services Limited maintained liability insurance for their Directors and Officers.

GOING CONCERN

Council has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing financial statements.

In reaching this opinion Council has given consideration to the likely impact of Covid-19 on member businesses and the resultant effect on Subscription income, the impact on returns from subsidiaries and associates and the effect on the operating costs of the Association. Although significant, these effects would not prevent the Association for continuing as a going concern for a minimum period of 12 months from the date these financial statements are approved.

DISCLOSURE IN THE COUNCIL REPORT

As permitted by paragraph 1A of Schedule 7 to the Large and Medium – sized Companies and Groups (accounts and reports) Regulations 2008, certain matters which are required to be disclosed in the council report have been omitted, as they are included in the strategic report on page 1. These matters relate to development and financial performance in the year and financial position at the reporting date.

MEMBERS OF THE COUNCIL

The members who served during the period were:

Appel, I. (to 01.05.2019)	Grant, G.	Pullin, J. (from 01.05.2019)
Bratt, S.	Jackson, R.	Salter, D. (to 18.09.2019)
Brown, W.	Kavanagh, R. (from	Smith, M. (to 01.05.2019)
Burt, C. (from 11.12.2019)	11.12.2019)	Smith, S. (from 01.05.2019)
Crannis, D.	Lewis, D.	Smithson, B.
Crofts, M.	Murray, S.	Snowdon, K.
Davies, K. (from 18.09.2019)	O'Connor, T.	Thomas, N (to 18.09.2019)
Dowds, M.	Pridham, J.	Worrall, G.
Giardelli, M.	Prout, I.	Wetherill, D

The Electrical Contractors' Association

Report Of The Council (Continued)

For The Year Ended 31st December 2019

POST BALANCE SHEET EVENTS

The Corona virus pandemic which broke out in 2020 will have a potentially widespread and long term economic impact on member businesses, which the Association will mitigate by providing relevant advice to members and through influencing Government and other bodies to ensure member businesses receive support. The Association has also taken the decision to discount the membership subscription rates in 2020 by 25% and 2021 by 10%, reducing expected income by £1.1m and £0.4m respectively. The Association itself faces some additional operational challenges due to the restrictions on travel and office facilities, these have been mitigated by systems that allow for offsite working for nearly all employees. The financial impact on the Association is being closely monitored and is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the statement of financial position at 31 December 2019.

STATEMENT OF COUNCIL RESPONSIBILITIES

The Council has decided to prepare the Strategic Report, the Report of the Council and the Group Accounts in accordance with applicable law and regulations.

Company law requires the council members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the Council members are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the with applicable law and regulations. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

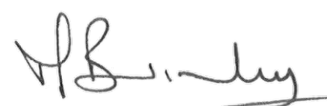
INFORMATION TO AUDITORS

So far as each council member is aware, there is no relevant audit information of which the Association's auditors are unaware. Each council member has taken all the steps he ought to have taken as a council member to make himself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

AUDITORS

Haysmacintyre LLP have expressed their willingness to be re-appointed and a resolution will be submitted to the Annual General Meeting.

ECA Court
24-26 South
Park
Sevenoaks
Kent
TN13 1DU



By Order of the Council
M J BURNLEY
Secretary

25 June 2020

The Electrical Contractors' Association

Independent Auditors' Report

To The Members Of The Electrical Contractors' Association

Opinion

We have audited the financial statements of Electrical Contractors Association (the 'Association') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise Consolidated Income Statement, the Consolidated Statement of Financial Position, the Association's Statement of Financial Position, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Association's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and Association financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group and Association financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Electrical Contractors' Association

Independent Auditors' Report (continued)

To The Members Of The Electrical Contractors' Association

Responsibilities of Council Members

As explained more fully in the Council Members' responsibilities statement, the Council Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the group or the Association or to cease operations, or have no realistic alternative but to do so.

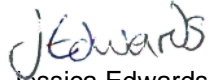
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with the Association's Constitution. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jessica Edwards (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
25 June 2020

10 Queen Street Place
London EC4R 1AG

The Electrical Contractors' Association

Consolidated Income Statement

For The Year Ended 31st December 2019

		2019	2018
	Notes	£	£
Turnover	3	9,198,741	8,872,858
Administrative costs	4	(9,858,535)	(10,002,490)
Operating deficit before investment income	5	(659,794)	(1,129,632)
Investment and other income	6	1,353,545	1,081,562
Share of profits in equity accounted undertakings	7	1,658,685	645,456
Operating surplus before profits on capital assets		2,352,436	597,386
(Loss) on sale of fixed assets		(1,080)	(237)
Profit on sale of intangible assets		165,000	-
(Loss) on sale of current asset investments		(208,312)	(168,118)
Unrealised profit/(loss) on current asset investments		4,474,381	(1,411,971)
Unrealised profit on Associates		291,780	348,369
Unrealised profit on Investment properties		184,400	-
		4,906,169	(1,231,957)
Surplus/(deficit) on ordinary activities before taxation		7,258,605	(634,571)
Taxation on ordinary activities	10	(47,071)	(15,819)
Retained surplus/(deficit) for the financial year		7,211,534	(650,390)
Other Comprehensive Income		2019	2018
		£	£
Result for the financial year		7,211,534	(650,390)
Actuarial gain/(loss)	21	(579,000)	(475,000)
Total Comprehensive Income for the year		6,632,534	(1,125,390)

The accompanying notes form an integral part of these financial statements.

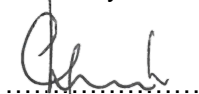
The Electrical Contractors' Association

Consolidated Statement of Financial Position

At 31st December 2019

		2019	2018
		£	£
Fixed assets			
Intangible fixed assets	Notes 12	-	-
Tangible fixed assets	13	1,444,662	1,474,828
Investment Properties	14	4,666,667	4,482,267
Investments	15	9,974,276	9,621,960
		<u>16,085,605</u>	<u>15,579,055</u>
Current assets			
Debtors	16	2,948,045	3,475,920
Investments	17	39,662,171	33,787,230
Cash at bank and in hand	18	9,415,392	9,227,604
		<u>52,025,608</u>	<u>46,490,754</u>
Creditors:			
Amounts falling due within one year	19	(6,082,319)	(6,685,449)
		<u>(6,082,319)</u>	<u>(6,685,449)</u>
Net current assets		<u>45,943,289</u>	<u>39,805,305</u>
Total assets less current liabilities		<u>62,028,894</u>	<u>55,384,360</u>
Provisions for liabilities	20	-	-
Pension scheme deficit	21	(12,000)	-
		<u>£62,016,894</u>	<u>£55,384,360</u>
Reserves			
Accumulated fund		62,016,894	55,384,360
		<u>£62,016,894</u>	<u>£55,384,360</u>
Total Funds		<u>£62,016,894</u>	<u>£55,384,360</u>

The financial statements were approved and authorised for issue by the Council and signed on its behalf by:



G Worrall

25 June 2020



J Pridham

The accompanying notes form an integral part of these financial statements.

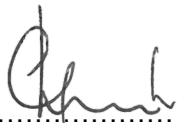
The Electrical Contractors' Association

Association Statement of Financial Position

At 31st December 2019

	2019	2018
	£	£
INVESTMENT		
The Electrical Contractors' Association Limited		
1,507 6% Cumulative Preference Shares of £1 each, fully paid at cost	£1,507	£1,507
	=====	=====
RESERVES		
Accumulated fund	£1,507	£1,507
	=====	=====

The financial statements were approved and authorised for issue by the Council and signed on its behalf by:



.....
G Worrall



.....
J Pridham

25 June 2020

The Association has no financial transactions and therefore had no profit or loss. The Association has not presented its own Statement of Comprehensive Income for this reason.

The accompanying notes form an integral part of these financial statements

The Electrical Contractors' Association

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

		2019
		£
		Accumulated Fund
Opening Balance		55,384,360
Total Comprehensive income for the Financial Year		
Holding undertaking		-
Subsidiary undertakings	Surplus for the year	7,211,534
	Other Comprehensive income	(579,000)
Result for the financial year		6,632,534
Closing balance		£62,016,894
		2018
		£
		Accumulated Fund
Opening Balance		56,509,750
Total Comprehensive income for the Financial Year		
Holding undertaking		-
Subsidiary undertakings	Deficits for the year	(650,390)
	Other Comprehensive income	(475,000)
Result for the financial year		(1,125,390)
Closing balance		£55,384,360

The accompanying notes form an integral part of these financial statements

The Electrical Contractors' Association

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Retained surplus/(deficit) for the financial year	7,211,535	(650,390)
Adjustments for:		
Share of profits in equity accounted undertakings less distributions	(352,316)	(35,931)
Depreciation of tangible assets	133,898	278,863
Loss on sale of tangible assets	1,080	237
Loss on sale of current asset investments	208,312	168,118
Unrealised (profit)/loss on current asset investments	(4,474,381)	1,411,971
Profit on intangible assets	(165,000)	-
Unrealised profit on Investment Property	(184,400)	-
Movement in Pension deficit	133,000	(3,000)
Funding of Pension deficit	(700,000)	(700,000)
Interest received	(453)	(5,496)
Taxation	47,071	15,819
Decrease/(increase) in debtors	549,345	(1,480,312)
Increase/(decrease) in creditors	(599,259)	1,475,787
Cash from operations	1,808,432	475,666
Taxation repaid	(72,413)	(24,617)
Net Cash generated from operating activities	1,736,019	451,049
Cash flows from investing activities		
Proceeds from sale of intangible assets	165,000	-
Proceeds from sale of tangible assets	-	155,559
Proceeds from sale of Investment Properties	-	157,500
Purchases of tangible assets	(104,812)	(40,178)
Proceeds from sale of current asset investments	1,716,105	5,254,755
Purchases of current asset investments	(3,324,977)	(29,242,055)
Purchase of interest in Associates	-	(1,724,300)
Interest received	453	5,496
Net cash from investing activities	(1,548,231)	(25,433,223)
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	187,788	(24,982,174)
Cash and cash equivalents at beginning of year	9,227,604	34,209,778
Cash and cash equivalents at end of year	£9,415,392	£9,227,604

The accompanying notes form an integral part of these financial statements

The Electrical Contractors' Association

Notes To The Accounts

For The Year Ended 31st December 2019

1. General Information

Functional and presentational currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the 'functional' currency). The financial statements are presented in Pounds Sterling, being the functional and presentational currency of the Group.

Status of the Association

The Association is registered with the Certification Office for Trade Unions and Employers Associations. The liability of members is fixed by the Memorandum of Association at a sum not to exceed £1 per member in the event of a winding up.

Registered Address

The registered address of the Association is Rotherwick House, 3 Thomas More Street, London E1W 1YZ.

Going Concern

In assessing the Association's ability to continue as a going concern, the Council have considered the Association's liquidity position, cash flow forecasts for the next 12 months and considered the effect of Covid-19 on subscription income, returns from subsidiaries and associates and the effect on operating costs. The Association has considered the potential impact of the risks identified above on the cashflow forecasts along with any potential cost savings. The forecasts indicate that during the year the Association will have sufficient cash reserves to meet its obligations. The Council continue to adopt the going concern basis in preparing the accounts.

2. Accounting Policies

The financial statements have been prepared on a going concern basis and in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties in accordance with applicable accounting standards, including Financial Reporting Standard 102 (FRS102).

(b) Basis of Consolidation

The group accounts include the accounts of the Association, all its subsidiaries and a company limited by guarantee deemed to be controlled by the Association. The Group's share of its associate's results and net assets are included on an equity accounting basis.

Transactions and balances relating to activities subject to severe long term restrictions are excluded from the Group accounts in accordance with FRS 102

The Association has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income. The Association has no financial transactions and therefore had no profit or loss.

(c) JIB Combined Benefits Scheme

The Association, through EC Insurance Services Ltd, is responsible for the transactions, assets and liabilities relating to the management of the JIB Combined Benefits Scheme.

Provision is made for all potentially repayable amounts with the exception of items that are statute barred.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

2. Accounting Policies (Continued)

(d) Turnover

Turnover represents members' subscriptions and amounts receivable from the provision of various commercial and insurance services. Subscriptions are recognised in the subscription year they relate to and sundry income in the period in which the income is earned. Insurance commission is accounted for when the right to consideration has been achieved and the amount due is capable of reliable measurement.

(e) Interest and Dividends

Interest, except short-term deposit interest, and dividends are recognised on a received basis. Short-term deposit interest is recognised on an accrued basis

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Computer hardware and software is capitalised when it is probable that future economic benefits will be derived from the expenditure and where cost can be measured reliably.

- No depreciation is charged on freehold land. Freehold buildings are written off at a rate of 2% per annum of their cost.
- Other assets are written off on a straight line basis. Fixtures, fittings and computer equipment are written off at rates between 10% to 33⅓% per annum. Computer software is written off in the year of purchase.

(g) Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Goodwill is depreciated on a straight line basis over the expected economic life of 5 years.

(h) Investment Properties

Investment properties are shown at Councils' valuation based on regular professional valuations.

(i) Fixed Asset Investments

Investments in associated ventures are shown at the Group's share of its associated results and net assets.

(j) Current Asset Investments

Quoted investments are stated in the balance sheet at open market value. Where dealings in an investment had been suspended, the Council has taken a provision for loss in value.

(k) Deferred Tax

Full provision is made for deferred tax in respect of all non-permanent timing differences that have originated but not reversed at the balance sheet date.

(l) Cash at Bank

Included in cash at bank are client money balances including amounts of realised commission to be withdrawn in accordance with the rules of the Financial Conduct Authority applicable to the subsidiary company EC Insurance Services Limited. An analysis of the component parts of the cash held in the bank accounts is provided in note 17 to these financial statements.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

2. Accounting Policies (Continued)

(m) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of the minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term, unless rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense over the lease term on a straight-line basis.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

(o) Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(p) Pension Costs

The group operated both defined benefit and defined contribution retirement benefit schemes during the year.

The liability recognised in the balance sheet in respect of the group's defined benefit pension scheme is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated using the projected unit credit method. Formal actuarial valuations are carried out on a triennial basis, with updated calculations being prepared at each balance sheet date. Where the calculations show a surplus, this is not recognised until such time as it is formally recognised by a reduction in the deficit contribution covenant with the Scheme.

The cost of providing future benefits (service cost) is charged to the consolidated revenue account in cost of sales. The return on scheme assets and interest obligation on scheme liabilities comprise a pension finance adjustment which is included in investment and other income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity and shown in the Statement of Total Comprehensive Income in the period in which they arise.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

3. Turnover

	2019	2018
	£	£
Subscriptions	4,531,205	4,374,764
Commercial services	3,637,422	3,355,592
Health and safety assessment income	835,219	1,050,160
Sundry Income	194,895	92,342
	<u>£9,198,741</u>	<u>£8,872,858</u>

Turnover relates wholly to activities in the United Kingdom.

4. Administrative costs

	2019	2018
	£	£
Group Administration costs	7,245,928	7,205,618
Health and safety assessment	805,412	1,034,818
Regional allocations and office costs	1,807,195	1,762,054
	<u>9,858,535</u>	<u>10,002,490</u>

5. Supplementary Revenue Information

	2019	2018
	£	£
The operating surplus for the year is stated after charging:		
Auditors' remuneration: audit	21,750	21,450
tax	5,150	5,150
audit of associate companies	5,075	5,075
Depreciation	133,898	239,007
Operating lease rentals	427,894	424,980
Expenses associated with financial assets at amortised cost	-	-

6. Investment and other income

	2019	2018
	£	£
Investment income from unitised investments	895,066	546,955
Other investment income	34,720	24,640
Rental income	423,306	449,055
Interest received	453	5,496
Statute barred stamps written back	-	55,416
	<u>£1,353,545</u>	<u>£1,081,562</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

7. Share Of Profits Before Tax In Equity Accounted Undertakings

	Holding %	2019 £	2018 £
ESCA Estates Limited	57.14	250,929	(325,950)
Bluesky Trustee Company Limited	50	-	-
Certsure LLP	25	1,407,756	971,406
		£1,658,685	£645,456

The above amounts are based upon the last available accounts that are not all coterminous with the group's year-end.

8. Directors' Remuneration

During the year, the directors of the intermediate holding company received the following remuneration.

	2019 £	2018 £
As a director	324,010	316,447
Benefits in kind	3,136	6,784
Pension	8,210	4,297
	£335,356	£327,528
Highest paid director		
Emoluments	226,226	223,162
Pension	8,210	4,297
	£234,436	£227,459

Retirement benefits were accruing for 1 directors of the intermediate holding company throughout the year (2018: 1 directors).

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

9. Staff Numbers And Costs

The average number of persons employed by the group (excluding non-executive members of Council who are not full time employees) during the year was as follows:

	2019	2018
	No	No
Administration	106	105

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Salaries	4,714,285	4,386,862
Social security costs	479,106	437,672
Current pension service costs		
– defined contribution scheme	426,452	381,355
– additional employer contributions	19,182	17,157
	£5,639,025	£5,223,046

	2019	2018
	No	No
Number of key staff	9	8
	£	£
Remuneration of Key Staff	£1,123,055	£1,017,670

The holding company did not have any employees during the year or the preceding year.

10. Pension Scheme

The Electrical Contractors Association operates both defined benefit and defined contribution retirement benefit schemes for the employees of the Association, its wholly owned subsidiaries, Esca Estates Limited and the Joint Industry Board.

Defined Benefit Scheme

The Defined Benefit Scheme provides benefits based on final pensionable pay. The scheme was closed to future accrual with effect from 31 December 2010. All scheme members were invited to join the Defined Contribution Scheme with effect from 1 January 2011. Formal actuarial valuations are carried out on a triennial basis, with updated calculations being prepared at each balance sheet date.

The Electrical Contractors' Association

Notes To The Accounts

For The Year Ended 31st December 2019

10. Pension Scheme (continued)

The statutory employer has agreed to meet the current pension deficit and a recovery plan has been agreed with the Trustees to pay £700,000 per annum up to 31 December 2022. In total deficit contributions in the year were £700,000 (2018: £700,000).

Defined Contribution Scheme

The employer contributes 5% or 12.5% of pensionable earnings to a group occupational pension provider. The pension contributions paid by the company in the year amounted to £445,634 (2018: £398,512). The employee's contribution to this scheme is 5%. The staging date for auto enrolment was 1 April 2014 and that is now incorporated within the pension scheme with the employer contributions 3% and employee 5%.

For those members transferring from the Defined Benefit Scheme, the employer has agreed to increase their contribution by 1% to 13.5% if the employee agrees to increase their contribution by 1%.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

11. Taxation

	2019	2018
	£	£
UK corporation tax	-	-
Deferred tax charge	(10,072)	(14,766)
Share of corporation tax in equity accounted undertakings	57,143	28,488
	<u>47,071</u>	<u>13,722</u>
Income tax repayable	-	2,098
Under/(over) provision in prior years	-	-
Total current tax charge	<u>47,071</u>	<u>£15,819</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 19.00% .

The differences are explained as follows:

	2019	2018
	£	£
Result on ordinary activities before tax	<u>£7,258,606</u>	<u>£(634,571)</u>
Result on ordinary activities before tax multiplied by the standard corporation tax rate of 19.00% (2018: 19.00%)	1,379,135	(120,568)
Effects of:		
Depreciation in excess of capital allowances	11,242	13,804
Amounts disregarded for tax purposes	251,487	2,052,222
Income not taxable for tax purposes	(1,135,470)	(183,414)
Dividend and distribution income	-	(1,574,101)
Deferred Tax not recognised	(255,363)	(140,156)
Small companies relief	-	-
Losses carried back	-	-
Franked Investment Income	(112,739)	(63,966)
Chargeable gains	-	-
Other timing differences	(148,364)	1,413
UK corporation tax	<u>£(10,072)</u>	<u>£(14,766)</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

12. Intangible Fixed Assets

	<i>Goodwill</i> £
COST	
At 1st January 2019 and 31st December 2019	£2,099,979
	<hr/> <hr/>
AMORTISATION	
At 1st January 2019 and 31st December 2019	£2,099,979
	<hr/> <hr/>
NET BOOK VALUE	
At 31st December 2019	£ -
	<hr/> <hr/>
NET BOOK VALUE	
At 31st December 2018	£ -
	<hr/> <hr/>

The goodwill arising on the acquisition of ECA Affinity Services Limited in 2007 amounting to £2,099,979 was written off over 5 years.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

13. Tangible Fixed Assets

	<i>Freehold land and buildings</i>	<i>Fixtures, fittings & computer equipment</i>	<i>Total</i>
	£	£	£
COST			
At 1st January 2019	2,006,935	808,150	2,815,085
Additions	-	104,812	104,812
Disposals	-	(15,270)	(15,270)
Reclassification	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 2019	2,006,935	897,692	2,904,627
	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION			
At 1st January 2019	622,732	717,525	1,340,257
Charge for year	31,902	101,996	133,898
Disposals	-	(14,190)	(14,190)
Reclassification	-	-	-
Impairment	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 2019	654,634	805,331	1,459,965
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2019	£1,352,301	£92,361	£1,444,662
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st December 2018	£1,384,203	£90,625	£1,474,828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14. Investment Properties

Investment properties comprise office accommodation let out on short term leases. The property was valued by Michael Rogers LLP on 2nd December 2019, on a Market Value and Market Rent basis, in accordance with RICS Valuation - Global Standards March 2017 Edition.

Fair value

	£
At 1 January 2019	4,482,267
Revaluation	184,400
At 31 December 2019	£4,666,667

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2019

15. Fixed Asset investments

	2019	2018
	£	£
Share of retained reserves in associated undertakings:		
ESCA Estates Limited	9,185,226	8,939,660
Bluesky Trustee Company Limited	50	50
Certsure LLP	789,000	682,250
	<u>£9,974,276</u>	<u>£9,621,960</u>

Movement in holding in Related Undertakings

At 1 January 2019	9,621,960	7,861,728
Acquisitions	-	1,724,300
Share of increase in net asset value	352,317	35,932
At 31 December 2019	<u>£9,974,277</u>	<u>£9,621,960</u>

Subsidiary Undertakings

<i>Name Of Company</i>	<i>Shares Held</i>	<i>% Of Shares Held Directly Or Indirectly</i>	<i>Principal Activity</i>
The Electrical Contractors Association Limited	6% Cumulative Preference Shares	100%	Trade Association
ECA Affinity Services Limited	£1 Ordinary Shares	100%	Dormant
EC Insurance Holdings Limited	£1 Ordinary Shares	100%	Insurance holding company

The following are subsidiaries directly or indirectly owned by EC Insurance Holdings Limited:

EC Insurance Services Limited	Ord £1	100%	Insurance mediation services
Brandrisks Group Limited	Ord £1	100%	Dormant
Brandrisks Limited	Ord £1	100%	Dormant
Sportsrisks Limited	Ord £1	100%	Dormant

ECA Certification Limited, a company limited by guarantee, has also been consolidated as it is deemed to be controlled by the Electrical Contractors' Association.

EC Insurance Company Limited was sold in November 2017.

Associated Undertakings

<i>Name Of Company</i>	<i>Shares Held</i>	<i>% Of Shares Held (Indirectly)</i>	<i>Principal Activity</i>
ESCA Estates Limited ¹	£1 Ordinary Shares	57.14%	Property Company
Bluesky Trustee Company Limited ²	£1 Ordinary Shares	50%	Manager of BlueSky Pension Scheme
Certsure LLP ³		25%	Certification and assessment

ECA increased its holding in ESCA Estates Ltd to 57.14% on 14 February 2018, but did not acquire a controlling interest. An option was granted over 7.14% of the shares at £860,000, which expired on 13 February 2020.

All subsidiary undertakings, associated undertakings and other fixed asset investments are registered in England and Wales. The registered address is ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU with the exception of ¹Rotherwick House, 3 Thomas More Street, London, E1W 1YZ, ²Unit 2, White Oak Square, Swanley BR8 7AG and ³Warwick House, Houghton Hall park, Dunstable LU5 5ZX.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

16. Debtors

	2019	2018
	£	£
Trade debtors	1,862,079	2,016,716
Other debtors	486,950	971,186
Due from related parties	190,039	35,077
Corporation tax recoverable	20,895	5,625
Deferred tax	61,602	55,405
Prepayments and accrued income	326,480	391,911
	<u>£2,948,045</u>	<u>£3,475,920</u>

17. Current Asset Investments

	2019	2018
	£	£
UK listed Unitised Funds		
At 1st January	33,787,230	11,380,019
Disposals	(1,924,417)	(5,422,873)
Additions	3,324,977	29,242,055
Unrealised gains	4,474,381	(1,411,971)
	<u>£39,662,171</u>	<u>£33,787,230</u>

18. Cash and Bank

	2019	2018
	£	£
Client money balances included within Cash at bank and in hand	2,050,987	2,307,037

19. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	4,253,821	4,808,720
Corporation tax	935	4,806
Other taxation and social security costs	68,779	178,807
Other creditors	889,546	617,240
Due to associated undertakings	135,374	170,388
Accruals and deferred income	733,864	905,488
	<u>£6,082,319</u>	<u>£6,685,449</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

20. Provision For Liabilities

	2018	2017
	£	£
Deferred taxation liability		
At 1 January 2018	-	74,000
Movement in the year		(74,000)
At 31 December 2018	<u>£ -</u>	<u>£ -</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

21. Pension Scheme Deficit

	2019 £'000s	2018 £'000s
Change in benefit obligation		
Benefit obligation at 1st January 2019	36,071	38,612
Current service cost	66	66
Interest cost	1,015	984
Benefits paid	(2,149)	(1,559)
Insurance premiums	(66)	(66)
Remeasurements		
Changes in assumptions	4,156	(1,966)
Experience adjustments	-	-
Benefit obligation at 31st December 2019	<u>39,093</u>	<u>36,071</u>
Change in plan assets		
Fair value of plan assets at 1st January 2019	36,707	38,384
Interest Income	1,043	987
Remeasurements - return on plan assets	2,780	(1,805)
Employer contributions (incl. employer direct benefit payments)	766	766
Insurance premiums	(66)	(66)
Benefits paid	(2,149)	(1,559)
Fair value of plan assets at 31st December 2019	<u>39,081</u>	<u>36,707</u>
Amounts recognised in the balance sheet		
<i>Plans that are wholly unfunded and plans that are wholly or partly funded</i>		
Present value of wholly or partly funded obligations	39,093	36,071
Fair value of plan assets	39,081	36,707
Surplus not recognised	-	(636)
Funded status	<u>£(12)</u>	<u>-</u>
Unrecognised past service cost (benefit)	-	-
Costs relating to defined benefit plans		
<i>Amounts recognised in the statement of comprehensive income</i>		
Costs - changes from employee service	66	66
Net Interest		
Expense	1,015	984
Income	(1,043)	(987)
	<u>£38</u>	<u>£63</u>
<i>Amounts recognised in the statement of comprehensive income</i>		
Changes in assumptions	4,156	(1,966)
Contribution in respect of flexible apportionment	(161)	-
Pension surplus not recognised	(636)	636
Actuarial return less expected return on plan assets	(2,780)	1,805
Actuarial gain/(loss)	<u>£579</u>	<u>£475</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

21. Pension Scheme Deficit (continued)

	2019	2018
	£'000s	£'000s
Principal actuarial assumptions		
<i>Weighted average assumptions used to determine benefit obligations at:</i>		
Discount rate	2.10%	2.90%
Rate of price inflation (RPI)	3.00%	3.20%
Rate of price inflation (CPI)	2.00%	2.20%
Rate of pension increases		
Pre April 1997	3.00%	3.00%
April 1997 to 5 October 1999	3.60%	3.60%
Post 5 October 1999	2.90%	3.05%
<i>Weighted average assumptions used to determine net pension cost:</i>		
Discount rate	2.60%	2.60%
Pension in payments increase (5% RPI)	3.00%	3.00%
Rate of price inflation RPI	3.20%	3.20%
Rate of price inflation CPI	2.20%	2.20%
<i>Weighted life expectancy on retirement at age 45:</i>		
Male age 65 (current life expectancy)	23.1	22.8
Male age 45 (life expectancy at age 65)	23.9	24.1
Plan assets		
<i>Percentage of plan assets by asset allocation</i>		
Equity Securities	29%	20%
Debt Securities	62%	42%
Property	2%	2%
Other	7%	36%
	<u>100%</u>	<u>100%</u>

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

22. Operating Lease Commitments

	2019		2018	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Within one year	33,961	81,172	328,115	42,367
Between two to five years	1,126,168	114,743	1,156,260	92,909
More than five years	3,880,659	1,170	4,161,189	3,177
	£5,040,788	£197,085	£5,645,564	£138,453

At the year end the Group had the following minimum operating lease receipts:

	2019 Land & Buildings £	2018 Land & Buildings £
Within one year	250,885	285,652
Between two to five years	1,003,540	223,419
More than five years	1,194,250	
	£2,448,675	£509,071

23. Related Party Transactions

	2018 £	2018 £
Transactions with related parties:		
Management fee from ESCA Estates Limited	96,779	95,125
Rent paid to ESCA Estates Limited	280,530	280,530
Service charges paid to Esca Estates Limited	97,524	133,056
Dividend received from Esca Estates Limited	240,000	-
Provision of Assessment services from Certsure LLP	495,226	572,696
Balances due from / (to) related parties:		
Bluesky Trustee Company Limited	190,039	35,077
ESCA Estates Limited	(28,711)	(41,890)
Certsure LLP	(106,663)	(128,498)

ESCA Estates Limited, Bluesky Trustee Company Limited and Certsure LLP are associated undertakings of the Electrical Contractors' Association.

24. Financial risk management

Liquidity Risk

The objective of the Association in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Association expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all of its financial obligations, it has significant UK stock market investments that could be realised for cash.

The Electrical Contractors' Association

Notes To The Accounts (Continued)

For The Year Ended 31st December 2018

25. Financial assets and liabilities

	2019	2018
	£	£
Financial assets measured at fair value through profit and loss	49,636,447	43,409,190
Financial assets measured at amortised cost	11,954,461	12,250,583
Financial liabilities measured at amortised cost	(5,278,741)	(5,596,348)

26. Contingent Liability

ECA Limited is the guarantor for the JIB Staff Defined Benefit Pension Scheme. The last actuarial report as at 31 January 2018 has shown the assets of the pension scheme were less than the liabilities by £6,000. The funding of the shortfall is being met on an annual basis.

27. Ultimate Controlling Party

The Council Members consider there to be no ultimate controlling party

28. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Investment properties are professionally valued at regular intervals, in intervening years they are valued by the Council based upon their best estimate of current and future rental yields
- Valuation of Debtors is based upon management's best estimate of the provision for doubtful debts against the relevant balances.

29. Post Balance Sheet events

The Corona virus pandemic which broke out in 2020 will have a potentially widespread and long term economic impact on member businesses, which the Association will mitigate by providing relevant advice to members and through influencing Government and other bodies to ensure member businesses receive support. The Association has also taken the decision to discount the membership subscription rates in 2020 by 25% and 2021 by 10%, reducing expected income by £1.1m and £0.4m respectively. The Company itself faces some additional operational challenges due to the restrictions on travel and office facilities, these have been mitigated by systems that allow for offsite working for nearly all employees. The financial impact on the Association is being closely monitored and is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the statement of financial position at 31 December 2019.