

**THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED**

**ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021**

Company Number: 143669

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

### Principal Activities

The principal activity of the Company is to undertake the collection of membership subscriptions, maximise income from its investments on behalf of the ECA and provide business support to the members.

### Key performance indicators

The Company's main source of income derives from subscriptions and dividends. Membership numbers decreased by 52 in the year from 2,607 to 2,555. As a membership organisation it is important to ensure that members continue to value the services and benefits of the ECA. Membership retention and growth are key areas for review to ensure that the ECA remains the body of choice by its existing and prospective members. Management use a range of performance measures to monitor and manage members expectations and also business performance.

### Development and financial performance during the year

The operating loss before investment income and exceptional items was £3,268,781 compared to £3,936,970 in 2020.

As reported in the Company's statement of comprehensive income on page 9, the Company shows a surplus for the year before tax of £6,117,823 (2020: surplus of £327,906).

### Financial position at the reporting date

The balance sheet shows that the Company's net assets at the year end have increased from £56,975,844 to £61,011,529. This is mainly due to an increase in the value of investments in related undertakings and investment properties.

### Principal risks and uncertainties 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. The company is also dependant on returns on its investments and inter-group dividends.

To address these risks, the Board, in conjunction with the ECA Council, has embarked on a change in the business model of the trade association so that the provision of core member services and benefits become less reliant in the future on returns from commercial investments and the drawdown from reserves. The targets that have been set are currently being met.

Management and the Board monitor the key risks facing the company together with assessing the controls used for managing these risks. The key risk exposures are categorised as follows:

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### *Cash Flow*

The risk that the ECA is unable to call on any realisable assets to assist as working capital. Close monitoring of the business plan is carried out with cash flow projections.

### *Operational Risk*

The risk that a loss may occur as a result of inadequate or failed internal processes, people and systems, or from external events. This is managed at executive level through an annual operational risk review. This involves identifying and logging operational risks, scoring their likelihood of occurrence and their impact, assessing controls and the ease with which controls can be improved. The Board review the operational log annually.

### *Group risk*

The company draws upon profits from its subsidiary and associated companies activities to fund a proportion of its operating costs.

### *Pension Scheme Deficit*

The potential pension scheme deficit as detailed in note 19 is an ongoing risk. The pension scheme trustees have developed an investment strategy which is reactive to market conditions and over time will be more aligned to the scheme's liabilities.



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

By Order of the Board  
T D Foreman  
Secretary

31 March 2022

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Report of the Directors for the year ended 31 December 2021.

### Financial Instruments

The Company's principal financial instruments comprise bank balances, investments, other debtors, and other creditors. The main purpose of these instruments is to finance the Company's operations. The Company 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

The directors consider that the forthcoming financial year will be another challenging year in terms of retention and growth in the membership. The impact of Brexit negotiations on business confidence and subsequent impact on the building services sector, where our members operate, is uncertain. As an organisation the strategic objective is aimed at increasing revenue rather than concentrating on cost reduction.

### Directors

The directors set out below have held office during the whole period from 1 January 2021 to the date of this report unless otherwise stated:

Bailey, M.R.	Kavanagh, R.
Bratt, S.	Kieft, D.
Burnley, M.J.	McNaughton, P.C. (to 16.3.2022)
Dunwell, J.	Smyth, S.T.

### Directors' Indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

### Going Concern

The directors have a reasonable expectation that the Company 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 the annual financial statements.

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

### Disclosure in the Strategic 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 directors' report have been omitted as they are included in the Strategic Report on pages 2 and 3. These matters relate to development and financial performance in the year and financial position at the reporting date.

### Statement of the Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with the applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


### Information to Auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company'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 Board  
T D Foreman  
Secretary

31 March 2022

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED**

### **Opinion**

We have audited the financial statements of Electrical Contractors Association Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- \* have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- \* have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of 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 Company 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors 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 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 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- \* the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- \* the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- \* adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- \* the financial statements are not in agreement with the accounting records and returns; or
- \* certain disclosures of directors' remuneration specified by law are not made; or
- \* we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- \* Enquiring with management regarding correspondence with regulators and tax authorities;
- \* Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- \* Evaluating management's controls designed to prevent and detect irregularities;
- \* Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings of round sum amounts or with unusual descriptions; and
- \* Challenging assumptions and judgements made by management in their critical accounting estimates, in particular regarding the valuation of investment properties and investments.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of Report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*J Edwards*

Jessica Edwards  
(Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

31 March 2022



# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

31 DECEMBER 2021

		2021	2020
	Notes	£	£
Turnover	4	<b>4,797,774</b>	4,287,690
Cost of sales	5	<b>(8,066,555)</b>	(8,224,660)
Operating loss before investment income		<b>(3,268,781)</b>	(3,936,970)
Investment income - Subsidiaries and Associated Undertakings	7	<b>3,703,032</b>	2,898,124
Investment income - Other income	7	<b>1,114,283</b>	1,183,828
Movement in fair value of investment in associates	14	<b>(102,146)</b>	(415,130)
(Loss) on sale of fixed assets		-	(15,714)
Unrealised profit/(loss) on Investment property	13	<b>400,000</b>	(400,000)
Profit/(loss) on sale of current asset investments		<b>2,279,750</b>	(641,786)
Unrealised profit on current asset investments	15	<b>1,991,685</b>	1,655,554
Profit on ordinary activities before taxation		<b>6,117,823</b>	327,906
Taxation on ordinary activities	11	<b>(2,126,138)</b>	(312,932)
Profit for the financial year		<b><u>£3,991,685</u></b>	<u>£14,974</u>

The Company has no recognised gains or losses other than the results for the above financial years.

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

## COMPREHENSIVE INCOME STATEMENT

Profit for the financial year		<b>3,991,685</b>	14,974
Actuarial (loss)	19	<b>44,000</b>	(688,000)
Deferred Taxation On Pension Deficit movement		-	-
<b>Total comprehensive income for the financial year</b>		<b><u>£4,035,685</u></b>	<u>(£673,026)</u>

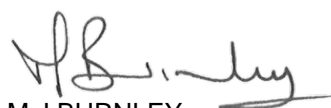
**THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Tangible fixed assets	12	<b>1,333,317</b>		1,356,544	
Investment Properties	13	<b>4,666,667</b>		4,266,667	
Investments	14	<b>9,556,917</b>		<u>9,659,063</u>	
			<b>15,556,901</b>		15,282,274
<b>Current Assets</b>					
Investments	15	<b>46,281,056</b>		40,899,494	
Debtors	16	<b>1,333,182</b>		1,809,634	
Cash at bank and in hand		<b>3,842,148</b>		<u>3,748,122</u>	
		<b>51,456,386</b>		46,457,250	
<b>Creditors:</b> Amounts falling due within one year	17	<b>(2,127,567)</b>		<u>(2,732,917)</u>	
<b>Net Current Assets</b>			<b>49,328,819</b>		43,724,333
<b>Pension Asset / (Liability)</b>	19		-		-
<b>Provisions for liabilities</b>	18		<b>(3,874,191)</b>		<u>(2,030,763)</u>
<b>Net Assets</b>			<b>£61,011,529</b>		<u>£56,975,844</u>
<b>Capital And Reserves</b>					
Called up share capital	20		<b>1,507</b>		1,507
Profit and loss account			<b>61,010,022</b>		<u>56,974,337</u>
<b>Shareholders' Funds</b>			<b>£61,011,529</b>		<u>£56,975,844</u>

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



M R BAILEY



M J BURNLEY

31 March 2022

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

**THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share Capital	<b>2021</b> Profit and Loss account	Total
	£	£	£
Opening Balance	1,507	56,974,337	56,975,844
Total Comprehensive income for the Financial Year			
Profit for the financial year		3,991,685	3,991,685
Other Comprehensive income		44,000	44,000
Closing Balance	<b><u>£1,507</u></b>	<b><u>£61,010,022</u></b>	<b><u>£61,011,529</u></b>

	Share Capital	<b>2020</b> Profit and Loss account	Total
	£	£	£
Opening Balance	1,507	57,647,362	57,648,869
Total Comprehensive income for the Financial Year			
Profit for the financial year		14,974	14,974
Other Comprehensive income		(688,000)	(688,000)
Closing Balance	<b><u>£1,507</u></b>	<b><u>£56,974,336</u></b>	<b><u>£56,975,843</u></b>

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS

31 DECEMBER 2021

### 1 General Information

#### Statement of Compliance

These financial statements have been prepared in compliance with FRS102 - the financial reporting standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

#### Functional and presentational currency

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

#### Status of the Company

The Electrical Contractors Association Ltd is a private limited liability by shares company under the meaning of the Companies Act 2006, incorporated in the United Kingdom.

#### Registered Address

The registered address of the company and principal place of business is ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU.

#### Exemptions

The following exemptions have been taken as permitted under *Section 1 "Scope" of FRS102*, including:

- *Section 7 "Statement of Cash flows"*
- *Section 33 "Related Party Disclosure"*

The Company has written to its shareholder informing them of the exemptions and no objections have been received.

#### Going Concern

In assessing the Association's ability to continue as a going concern, the Directors have considered the Association's liquidity position, cash flow forecasts for the next 12 months. The forecasts indicate that during the year the Association will have sufficient cash reserves to meet its obligations. The Directors 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 policies adopted are described below:-

#### (a) Basis of Accounting

The accounts have been prepared under the historical cost convention.

#### (b) JIB Combined Benefits Scheme

The Company has passed the responsibility for the transactions, assets and liabilities relating to the management of the JIB Combined Benefits Scheme to EC Insurance Services Limited. Provision is made for all potentially repayable amounts prior to the date of transfer, with the exception of items which are statute barred.

#### (c) Turnover

Turnover represents members' annual subscriptions and sundry income during the year. Subscriptions are recognised in the subscription year they relate to and sundry income in the period in which the income is earned.

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 2 Accounting Policies continued.

(d) Interest and Dividends

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

(e) 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.

(i) No depreciation is charged on freehold land. Freehold buildings are written off at a rate of 2% per annum of their cost.

(ii) Other assets are written off on a straight line basis. Fixtures, fittings and computer equipment are written off at rates between 10% to 33% per annum. Computer software is written off in the year of purchase.

(f) Investment Properties

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

(g) Fixed Asset Investments

Investments in wholly owned subsidiaries are shown at cost less any accumulated impairment. Investments in associated ventures are shown at fair value.

(h) Current Asset Investments

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

(i) 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.

(j) Consolidated Accounts

No consolidated accounts are prepared since the Company is a wholly owned undertaking of the Electrical Contractors Association for which group accounts are prepared. Transactions and balances relating to activities subject to severe long term restrictions are excluded from the Company accounts in accordance with FRS102

(k) Cash Flow Statement

In preparing the accounts the directors have taken advantage of the provisions within FRS102 in not preparing a cash flow statement.

(l) 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 Company. 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.

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 2 Accounting Policies continued.

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 Company 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.

#### (m) 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.

#### (n) 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.

### 3 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 valued by the Directors based upon their best estimate of current and future rental yields.

Investments in Associates are valued by the Directors based upon their best estimate of their market value in an open market. This includes making a best estimate of material assets held at book cost in the balance sheets of the Associates.

Valuation of Debtors is based upon Management's best estimate of the provision for doubtful debts against the relevant balances.

### 4 Turnover

Turnover relates wholly to activities in the United Kingdom

	2021	2020
	£	£
Subscriptions	4,613,448	4,631,270
COVID 19 discount	( 444,303)	( 1,128,911)
Health and safety assessment income	549,372	573,478
Sundry income	79,257	73,853
CJRS refunds	-	138,000
	<u>£4,797,774</u>	<u>£4,287,690</u>

### 5 Cost of Sales

	2021	2020
	£	£
Association administration costs	5,406,789	5,540,814
Pension Deficit Funding and Levy	2,546	10,136
Regional allocations and regional office costs	1,736,287	1,734,351
Health and safety assessment costs	533,819	544,751
Publicity and special promotions	311,100	346,352
Meetings and delegates costs	76,014	48,256
	<u>£8,066,555</u>	<u>£8,224,660</u>

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 31 DECEMBER 2021

	2021	2020
	£	£
<b>6 Supplementary Profit and Loss Information</b>		
The operating loss before investment income for the year is stated after charging:		
Auditors' remuneration: audit	27,100	22,750
tax	7,800	5,150
other	875	-
Operating Leases	390,277	421,184
Depreciation	82,137	76,491

	2021	2020
	£	£
<b>7 Investment Income</b>		
Investment income from unitised investments	707,859	770,754
Rental income and hire of rooms	395,335	399,483
Other investment income	10	4,609
Interest received from related party	11,079	8,982
	<u>1,114,283</u>	<u>1,183,828</u>
Distributions from Subsidiaries and Associated Undertakings		
Intra group dividends - Subsidiaries	1,500,000	2,000,000
Intra group dividends - Associates	240,000	240,000
Profit distribution from related undertaking	1,963,032	658,124
	<u>3,703,032</u>	<u>2,898,124</u>
	<u><b>£4,817,315</b></u>	<u><b>£4,081,952</b></u>

	2021	2020
	£	£
<b>8 Emoluments of Directors</b>		
During the year the directors received the following remuneration:		
As a director	284,533	322,452
Benefits in kind	4,721	4,735
Pension	6,331	20,364
	<u>£295,585</u>	<u>£347,551</u>
Highest paid director		
Emoluments	234,282	221,951
Pension	6,331	20,364
	<u><b>£240,613</b></u>	<u><b>£242,315</b></u>

Retirement benefits were accruing for 1 director throughout the year (2020: 1 director).

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 9 Staff Numbers and Costs

The average number of persons employed by the Company (excluding all non-executive directors)

	2021	2020
	No.	No.
Administration	<u>93</u>	<u>98</u>
The aggregate payroll costs were as follows:-	£	£
Salaries	4,187,099	4,451,215
Social security costs	427,493	438,899
Pension costs: defined contribution scheme	446,765	471,165
additional employer contributions	20,301	20,249
	<u>£5,081,658</u>	<u>£5,381,528</u>

Remuneration of Key Staff	2021	2020
	No.	No.
Number of Key Staff	<u>7</u>	<u>7</u>
	£	£
Emoluments and Pension contributions of Key Staff	<u>£899,391</u>	<u>£961,075</u>

### 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 the last being on 31 December 2019, with updated calculations being prepared at each balance sheet date.

The statutory employer has agreed to meet the current pension deficit and a recovery plan has been agreed with the Trustees to pay up to £350,000 per annum from 1st January 2021 to 31 December 2023, depending upon an actuarial assessment. Total deficit contribution in the year was £nil (2020: £350,000). The pension scheme deficit at 31 December 2021 was £NIL (2020: £nil). Any pension scheme asset is not recognised unless a refund is certain.

#### 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 £423,066 (2020: £491,414). 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 LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 11 Taxation

	2021 £	2020 £
The taxation charge based on the taxable profits for the year at current rates comprises:		
UK corporation tax for the year	287,024	-
Deferred tax	1,843,428	646,145
	<b>2,130,452</b>	646,145
Payments for tax losses from other group companies	-	( 333,213)
Adjustment to prior years group relief claim	( 4,314)	-
Income tax suffered	-	-
Taxation on ordinary activities	<b>£2,126,138</b>	<b>£312,932</b>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 19%.

The differences are explained below:

Profit on ordinary activities before tax	<b>£6,117,823</b>	<b>£327,906</b>
Profit on ordinary activities before tax multiplied by the standard corporation tax rate of 19.00% (2020: 19.00%)		
Profit on ordinary activities before tax	1,162,386	62,302
Effects of:		
Expenses not deductible for tax purposes	385,406	655,742
Income not taxable for tax purposes	( 1,326,806)	( 527,825)
Fixed asset timing difference	6,829	6,072
Franked investment income	( 102,987)	( 95,295)
Other short term differences	354,906	168,580
FRS102 chargeable gains	977,554	483,248
Group income	( 330,600)	( 425,600)
Adjustments to tax charge in respect of previous periods	( 4,314)	-
Group relief surrender	-	333,213
Remeasurement of deferred tax for change in tax rates	909,615	142,801
Deferred tax movement	94,149	( 157,093)
Total current tax charge	<b>£2,126,138</b>	<b>£646,145</b>

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 12 Tangible Fixed Assets

	Freehold land and buildings £	Fixtures, fittings and computer equipment £	Total £
<b>COST</b>			
At 1 January 2021	1,880,991	146,626	2,027,617
Additions	-	58,910	58,910
Disposals	-	-	-
At 31 December 2021	<u>1,880,991</u>	<u>205,536</u>	<u>2,086,527</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 January 2021	560,649	110,424	671,073
Charge for the year	31,958	50,179	82,137
Disposals	-	-	-
At 31 December 2021	<u>592,607</u>	<u>160,603</u>	<u>753,210</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2021</b>	<u><b>£1,288,384</b></u>	<u><b>£44,933</b></u>	<u><b>£1,333,317</b></u>
At 31 December 2020	<u>£1,320,342</u>	<u>£36,202</u>	<u>£1,356,544</u>

### 13 Investment Properties

Investment properties comprise office accommodation let out on short term leases. The property is held at fair value as determined by the directors. The directors have based the fair value of the property on the independent valuation carried out by Michael Rogers LLP on 17th December 2019, on a Market Value and Market Rent basis and subsequent movements in market prices to 31st December 2021.

<b>Fair value</b>	£
At 1 January 2021	4,266,667
Revaluation	400,000
<b>At 31 December 2021</b>	<u><b>£4,666,667</b></u>

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 14 Fixed Asset Investment

	2021 £	2020 £
SUBSIDIARY UNDERTAKINGS AT HISTORICAL COST		
The investments comprise:		
EC Insurance Holdings Ltd.	100,000	100,000
RELATED UNDERTAKINGS AT DIRECTORS' VALUATION		
The investments comprise:		
ESCA Estates Ltd.	7,963,399	8,029,513
Bluesky Trustee Company Ltd.	50	50
Certsure LLP	1,493,468	1,529,500
	<b>9,456,917</b>	<b>9,559,063</b>
Total Fixed Asset Investments	<b>£9,556,917</b>	<b>£9,659,063</b>
Movement in holding in Related Undertakings		
At 1st January	9,559,063	9,974,193
Additions	-	-
Revaluation	( 102,146)	( 415,130)
At 31st December	<b>£9,456,917</b>	<b>£9,559,063</b>

Related undertakings have been valued on the basis of the fair value of their assets on a going concern basis, making allowance for any limitations in the ability of the undertaking to distribute its net assets.

The holdings and principal activities of the subsidiary undertakings, associated undertakings and other fixed asset investments, which are all registered in England and Wales, are as follows:

Name of Company and Registered Address	Description of shares held	% of shares held	Principal activity
SUBSIDIARY UNDERTAKINGS			
EC Insurance Holdings Ltd.	1. Ord £1	100%	Insurance holding company
ECA Affinity Services Ltd.	1. Ord £1	100%	Dormant
The following is a subsidiary of EC Insurance Holdings Ltd.			
EC Insurance Services Ltd.	1. Ord £1	100%	Insurance mediation services
ASSOCIATED UNDERTAKINGS			
ESCA Estates Ltd.	2. Ord £1	57.14%	Property company
Bluesky Trustee Company Ltd	3. Ord £1	50%	Manager of Bluesky pension scheme

ECA increased its holding in ESCA Estates Ltd to 57.14% (2017: 42.857%) on 14th February 2018, but did not acquire a controlling interest. The Company granted an option over 7.14% of the shares in ESCA Estates Ltd at £860,000, which was exercisable up until 13th February 2020.

ECA is a limited liability partner in Certsure LLP (Registered office: Warwick House, Houghton Hall Park, Dunstable, LU5 5ZX) and has a 25% profit share (from 1 April 2017).

*Registered Office address of Subsidiaries and Associated Undertakings*

1. ECA Court 24-26 South Park, Sevenoaks, Kent TN13 1DU
2. Rotherwick House, 3 Thomas More St., St. Katharine's & Wapping, London E1W 1YZ
3. Unit 2, White Oak Square, London Road, Swanley, Kent BR8 7AG

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 15 Current Asset Investments

	Market Value	
	2021	2020
	£	£
UK Listed Unitised Funds:		
At 1st January	40,899,494	39,662,171
Disposals	(21,719,610)	(7,239,397)
Additions	25,109,487	6,821,167
Unrealised profits	1,991,685	1,655,553
At 31st December	<u>£46,281,056</u>	<u>£40,899,494</u>

### 16 Debtors

	2021	2020
	£	£
Trade debtors	90,071	281,195
Other debtors	583,738	517,630
Corporation Tax	-	10,957
Due from subsidiary undertakings	24,143	449,521
Due from associated undertakings	8,050	
Prepayments and accrued income	496,367	368,342
	<u>£1,202,369</u>	<u>£1,627,645</u>
Due from associated undertakings greater than one year	<u>130,813</u>	<u>181,989</u>
	<u>£1,333,182</u>	<u>£1,809,634</u>

### 17 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	191,500	280,876
Corporation Tax	287,156	-
Other creditors including taxation and social security	615,121	758,373
Value Added Tax	65,021	474,626
Due to associated undertakings	251,012	208,445
Accruals and deferred income	717,757	1,010,597
	<u>£2,127,567</u>	<u>£2,732,917</u>

### 18 Provisions for liabilities

	2021	2020
	£	£
Deferred Tax on Related Undertakings		
At 1 January 2020	2,030,763	1,384,618
(Reversal)/origination of timing difference	1,843,428	646,145
At 31 December 2020	<u>£3,874,191</u>	<u>£2,030,763</u>
Deferred tax provision		
On Related Undertakings	2,678,923	1,468,640
On Current Asset Investments	1,195,268	562,123
	<u>£3,874,191</u>	<u>£2,030,763</u>

The timing of the reversal of the above provisions cannot be determined.

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 31 DECEMBER 2021

<b>19 Pension Deficit</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Change in benefit obligation</b>		
Benefit obligation at 1st January 2021	<b>41,292,000</b>	39,093,000
Benefit obligation transferred (see below)	-	-
Current service cost	<b>66,000</b>	66,000
Interest cost	<b>564,000</b>	805,000
Benefits paid	<b>( 1,954,000)</b>	( 1,514,000)
Insurance premiums	<b>( 66,000)</b>	( 66,000)
Remeasurements		
Changes in assumptions	<b>( 1,172,000)</b>	4,114,000
Experience adjustments	-	( 1,206,000)
Benefit obligation at 31st December 2021	<b><u>£38,730,000</u></b>	<b><u>£41,292,000</u></b>
<b>Change in plan assets</b>		
Fair value of plan assets at 1st January 2021	<b>42,858,000</b>	39,081,000
Interest income	<b>586,000</b>	812,000
Benefit payments	<b>( 1,954,000)</b>	( 1,514,000)
Employer contributions	-	766,000
Insurance premiums	<b>( 66,000)</b>	( 66,000)
Remeasurement return on plan assets	<b>690,000</b>	3,779,000
Fair value of plan assets at 31st December 2021	<b><u>£42,114,000</u></b>	<b><u>£42,858,000</u></b>
<b>Amounts recognised in the balance sheet</b>		
<i>Plans that are wholly unfunded and plans that are wholly or partly funded</i>		
Present value of wholly or partly funded obligations	<b>( 38,730,000)</b>	( 41,292,000)
Fair value of plan assets	<b>42,114,000</b>	42,858,000
Pension funding surplus not recognised	<b>( 3,384,000)</b>	( 1,566,000)
Funded status	<b><u>£0</u></b>	<b><u>£0</u></b>
<b>Costs relating to defined benefit plans</b>		
<i>Amounts recognised in the statement of comprehensive income</i>		
Costs- changes from employee service	<b>66,000</b>	66,000
Net Interest		
Expense	<b>564,000</b>	805,000
Income	<b>( 586,000)</b>	( 812,000)
	<b><u>£44,000</u></b>	<b><u>£59,000</u></b>
<i>Amounts recognised in statement of comprehensive income</i>		
Changes in assumptions	<b>( 1,172,000)</b>	4,114,000
Experience adjustments	-	( 1,206,000)
Increase in Pension surplus not recognised	<b>1,818,000</b>	<b>1,566,000</b>
Return on plan assets	<b>( 690,000)</b>	( 3,779,000)
Total pension (return)/cost recognised in the OCI	<b><u>(£44,000)</u></b>	<b><u>£695,000</u></b>

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 31 DECEMBER 2021

#### 19 Pension Deficit (continued)

	2021	2020
	£'000s	£'000s
<b>Principal actuarial assumptions</b>		
<i>Weighted average assumptions used to determine benefit obligations at:</i>		
Discount rate	<b>1.90%</b>	1.40%
Rate of price inflation (RPI)	<b>3.50%</b>	3.00%
Price inflation rate (CPI)	<b>2.80%</b>	2.20%
<i>Weighted average assumptions used to determine costs relating to defined benefit plans:</i>		
Discount rate	<b>1.40%</b>	2.10%
Rate of price inflation RPI	<b>3.00%</b>	3.00%
Rate of price inflation CPI	<b>2.20%</b>	2.00%
<i>Weighted life expectancy on retirement at age 65:</i>		
Age 65 (current life expectancy)	<b>23.20</b>	23.10
Age 45 (life expectancy at age 65)	<b>24.10</b>	24.00
<b>Plan assets</b>		
<i>Percentage of plan assets by asset allocation</i>		
Equity Securities	<b>21%</b>	28%
Debt Securities	<b>74%</b>	62%
Property	<b>2%</b>	2%
Other	<b>3%</b>	8%
	<b>100%</b>	100%

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 20 Share Capital

	Authorised		Issued and fully paid	
	2021	2020	2021	2020
	£	£	£	£
2,000 Ordinary shares of £1 each	2,000	2,000	-	-
2,000 6% Cumulative Preference Shares of £1 each	2,000	2,000	1,507	1,507
	<b>£4,000</b>	<b>£4,000</b>	<b>£1,507</b>	<b>£1,507</b>

All shares issued have equal voting rights. The 6% preference shares rank before the £1 Ordinary shares in respect of any dividend distribution or capital repayment. There are no other restrictions on the shares.

### 21 Reserves

Called up share capital - represents the nominal value of shares that have been issued

Profit and loss account - includes all current and prior period retained profits and losses

### 22 Operating Lease Commitments

At the year end the Company had the following minimum operating lease payments:

	2021		2020	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Within one year	280,530	50,927	280,530	59,488
Between two to five years	1,122,118	26,133	1,122,118	69,218
More than five years	3,319,600	-	3,600,130	-
	<b>£4,722,248</b>	<b>£77,060</b>	<b>£5,002,778</b>	<b>£128,706</b>

### 23 Operating Lease Receipts

At the end of the year the Company had the following minimum operating lease receipts in respect of Land and Buildings:

	2021	2020
	£	£
Within one year	250,885	250,885
Between two to five years	1,003,540	1,003,540
More than five years	692,480	943,365
	<b>£1,946,905</b>	<b>£2,197,790</b>

### 24 Related Party Transactions

Transactions with related parties:

	2021	2020
	£	£
Management fees charged to Esca Estates Ltd	96,536	96,044
Rent paid to Esca Estates Ltd	280,530	280,530
Service charges paid to Esca Estates Ltd	132,802	171,213
Dividend received from Esca Estates Ltd	240,000	240,000
Health and Safety Administration provided by Certsure	267,499	275,311
Assessments and other services provided by Certsure	75,820	64,240

Esca Estates Ltd and Certsure LLP are associated undertakings of the Company. Balances due from and to related parties are disclosed in notes 16 and 17 respectively.

The Company has taken advantage of the exemption available under FRS102 from disclosing details of transactions with other group companies. Consolidated accounts in which the company is included as a subsidiary are publicly available.

# THE ELECTRICAL CONTRACTORS ASSOCIATION LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31 DECEMBER 2021

### 25 Contingent Liabilities

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 technical provisions by £6,000. The funding of the shortfall is being met on an annual basis.

### 26 Financial risk management

#### Liquidity risk

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

### 27 Financial assets and Liabilities

	2021 £	2020 £
Financial assets measured at fair value through profit or loss	55,737,974	50,458,557
Financial assets measured at amortised cost	4,548,150	5,178,457
Financial liabilities measured at amortised cost	( 1,160,269)	( 1,499,918)

### 28 Ultimate Holding Undertaking/Ultimate Controlling Party

The largest and smallest group in which the results of the company are consolidated is that headed by The Electrical Contractors Association whose principal place of business is Rotherwick House, 3 Thomas More St., St. Katharine's & Wapping, London E1W 1YZ. The consolidated accounts of this company are available to the public and may be obtained from this address.

The Electrical Contractors Association is the ultimate controlling party and ultimate parent entity.