

**THE ELECTRICAL CONTRACTORS' ASSOCIATION**  
**CONSOLIDATED ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2024**

# **The Electrical Contractors' Association**

## **Strategic Report Of The Council**

### **For The Year Ended 31<sup>st</sup> December 2024**

The Council presents their strategic report for the year ended 31<sup>st</sup> December 2024.

#### **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 2,296 to 2,215 in 2024.
- 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 profits before movements on capital of investments was £2.3m compared to a profit of £1.6m in 2023.

#### **FINANCIAL POSITION AT THE REPORTING DATE**

The Group's net assets have increased by £3.9m to £79.6m. The Group had cash at bank of £21.5m.

#### **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 marketplace. Any reduction in this support is seen as a principal risk facing the Association.

Council has adopted a business model such 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 Electrical Contractors' Association**

## **Strategic Report Of The Council (Continued)**

**For The Year Ended 31<sup>st</sup> December 2024**


### **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**

Azets Audit Services have expressed their willingness to be re-appointed and a resolution will be submitted to the Annual General Meeting.

Rotherwick House  
3 Thomas More St  
London  
E1W 1YZ



By Order of the Council  
R Driscoll  
*Secretary*  
19<sup>th</sup> June 2025

# The Electrical Contractors' Association

## Report Of The Council

### For The Year Ended 31<sup>st</sup> December 2024

The Council presents their report and financial statements for the year ended 31<sup>st</sup> December 2024.

#### 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 global events.

#### 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 climate change 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. The effects of climate change 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.

#### MEMBERS OF THE COUNCIL

The members who served during the period were:

Ashton, L. (from 18/09/2024)	Kavanagh, R.	Richardson, N. (from 4/12/2024)
Aslett, B.	Keenan, J.	Rowland, S.
Bratt, S.	Long, T. (from 18/09/2024)	Smith, A.
Deverall, S.	Murray, S. (to 8/05/2024)	Smithson, J. (to 4/12/2024)
Devine, R.	Nichols, D.	Smyth, S. (to 7/05/2025)
Giardelli, M. (to 8/05/2024)	O'Connor, T.	Vizard, G. (from 18/9/2024)
Grant, G. (from 8/05/2024)	Parkin, J. (from 7/05/2025)	
Halverson, M. (from 8/05/2024)	Prager, A. (from 8/05/2024)	
Hilland, M.	Pullin, J. (to 8/05/2024)	

## **The Electrical Contractors' Association**

### **Report Of The Council (Continued)**

#### **For The Year Ended 31<sup>st</sup> December 2024**

##### **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.

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E1W 1YZ



By Order of the Council  
R Driscoll  
*Secretary*  
19<sup>th</sup> June 2025

# 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 2021 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 2024 and of the group's deficit 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

In auditing the financial statements, we have concluded that the Council Member'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 Association'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 Council Members with respect to going concern are described in the relevant sections of this report.

#### 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.

#### 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.

# The Electrical Contractors' Association

## Independent Auditors' Report (continued)

### To The Members Of The Electrical Contractors' Association

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.

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 Group and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations, 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, corporation 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 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 round sum amounts, unusual descriptions, or material impact to the financial statements; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular regarding the valuation of investment properties and investments; and
- Reviewing the work performed by component auditors work in relation to the above.

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 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.

*Azets Audit Services*

John Howard (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Date:

2<sup>nd</sup> Floor, Regis House  
45 King William Street, London  
EC42 9AN

1 July 2025

## The Electrical Contractors' Association

### Consolidated Income Statement For The Year Ended 31<sup>st</sup> December 2024

		2024	2023
	Notes	£	£
Turnover	3	<b>8,531,275</b>	8,241,470
Administrative costs	4	<b>(10,650,735)</b>	(9,854,274)
Operating deficit before investment income	5	<b>(2,119,460)</b>	(1,612,804)
Investment and other income	6	<b>1,974,180</b>	1,686,436
		<b>1,974,180</b>	1,686,436
Share of profits in equity accounted undertakings	7	<b>2,435,717</b>	1,558,310
<b>Operating profit before profits on capital assets</b>		<b>2,290,437</b>	1,631,947
Profit on sale of fixed assets		-	211,314
Loss on sale of current asset investments		<b>(251,237)</b>	(242,288)
Unrealised profit on current asset investments		<b>3,359,722</b>	8,112,210
Share of profit / loss in equity accounted undertakings		<b>(0)</b>	(4,629,173)
Realised profit on investment		-	11,803
Unrealised (loss) on Investment properties		<b>(1,333,332)</b>	(666,666)
		<b>1,775,153</b>	2,797,200
<b>Profit on ordinary activities before taxation</b>		<b>4,065,590</b>	4,429,147
Taxation on ordinary activities	11	<b>(104,574)</b>	1,296,002
<b>Retained Profit for the financial year</b>		<b>3,961,016</b>	5,725,149
<b>Other Comprehensive Income</b>		<b>2024</b>	<b>2023</b>
		£	£
Result for the financial year		<b>3,961,016</b>	5,725,149
Actuarial gain	20	<b>(14,000)</b>	40,000
<b>Total Comprehensive Income for the year</b>		<b>3,947,016</b>	5,765,149

# The Electrical Contractors' Association

## Consolidated Statement of Financial Position

At 31<sup>st</sup> December 2024


		2024	2023
		£	£
<b>Fixed assets</b>	Notes		
Tangible fixed assets	12	1,187,618	1,228,732
Investment Properties	13	2,666,667	4,000,000
Investments	14	8,854,215	9,511,605
		<u>12,708,500</u>	<u>14,740,337</u>
<b>Current assets</b>			
Debtors	15	1,909,517	1,369,495
Investments	16	50,530,875	47,265,392
Cash at bank and in hand	17	21,497,315	18,997,965
		<u>73,937,707</u>	<u>67,632,852</u>
<b>Creditors:</b>			
Amounts falling due within one year	18	(5,701,168)	(5,212,722)
		<u>(5,701,168)</u>	<u>(5,212,722)</u>
<b>Net current assets</b>		<b>68,236,539</b>	<b>62,420,130</b>
<b>Total assets less current liabilities</b>		<b>80,945,039</b>	<b>77,160,467</b>
Provisions for liabilities	19	(1,364,893)	(1,527,337)
Pension scheme deficit	20	-	-
		<u>(1,364,893)</u>	<u>(1,527,337)</u>
<b>Net Assets Including Pension Deficit</b>		<b>£79,580,146</b>	<b>£75,633,130</b>
<b>Reserves</b>			
Accumulated fund		<b>79,580,146</b>	<b>75,633,130</b>
		<u>79,580,146</u>	<u>75,633,130</u>
<b>Total Funds</b>		<b>£79,580,146</b>	<b>£75,633,130</b>

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



R Devine

19th June 2025



S Smith

## **The Electrical Contractors' Association**

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

# The Electrical Contractors' Association

## Association Statement of Financial Position

At 31<sup>st</sup> December 2024

	2024	2023
	£	£
<b>INVESTMENT</b>		
The Electrical Contractors' Association Limited		
1,507 6% Cumulative Preference Shares of £1 each, fully paid at cost	<b>£1,507</b>	£1,507
	=====	=====
<b>RESERVES</b>		
Accumulated fund	<b>£1,507</b>	£1,507
	=====	=====

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



.....  
R Devine



.....  
S Smith

19<sup>th</sup> June 2025

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 2024

		<b>2024</b>
		<b>£</b>
		<b>Accumulated Fund</b>
Opening Balance		<b>75,633,130</b>
Total Comprehensive income for the Financial Year		
Holding undertaking		-
Subsidiary undertakings	Profit for the year	<b>3,961,016</b>
	Other Comprehensive income	<b>(14,000)</b>
Result for the financial year		<b>3,947,016</b>
Closing balance		<b>£79,580,146</b>
		<b>2023</b>
		<b>£</b>
		<b>Accumulated Fund</b>
Opening Balance		<b>69,867,981</b>
Total Comprehensive income for the Financial Year		
Holding undertaking		-
Subsidiary undertakings	Loss for the year	<b>5,725,149</b>
	Other Comprehensive income	<b>40,000</b>
Result for the financial year		<b>5,765,149</b>
Closing balance		<b>75,633,130</b>

## The Electrical Contractors' Association

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

### Consolidated Statement of Cashflows

For the year ended 31 December 2024

	Note	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Retained profit /(loss) for the financial year		3,961,016	5,725,149
Adjustments for:			
Share of profits in equity accounted undertakings less distributions		595,480	5,587,231
Depreciation of tangible assets		66,426	89,995
(Profit) on sale of tangible assets		-	(211,313)
Loss on sale of current asset investments		251,237	242,288
Unrealised profit /(loss) on current asset investments		(3,359,722)	1,312,333
Loss on intangible assets		-	(11,803)
Unrealised loss on Investment Property		1,333,332	666,666
Movement in Pension deficit		(14,000)	40,000
Interest received		(611,943)	(531,222)
Taxation		104,573	(1,296,005)
Increase in debtors		(220,993)	93,332
Increase in creditors		481,353	(367,928)
Cash from operations		<u>2,586,760</u>	<u>11,338,722</u>
Taxation paid		(517,043)	(532,200)
<b>Net Cash generated from operating activities</b>		<u>2,069,716</u>	<u>10,806,523</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible assets		-	329,850
Purchases of tangible assets		(25,312)	(88,565)
Proceeds from sale of current asset investments		8,976,406	3,599,963
Purchases of current asset investments		(9,133,404)	(4,689,240)
Interest received		611,943	531,222
<b>Net cash from investing activities</b>		<u>429,633</u>	<u>(316,770)</u>
<b>Net cash used in financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<u>2,499,349</u>	<u>10,489,753</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>18,997,966</u>	<u>8,508,213</u>
<b>Cash and cash equivalents at end of year</b>	21	<u><u>£21,497,315</u></u>	<u><u>£18,997,966</u></u>

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

# The Electrical Contractors' Association

## Notes To The Accounts

### For The Year Ended 31<sup>st</sup> December 2024

#### 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 climate change 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 31<sup>st</sup> December 2024

#### 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 31<sup>st</sup> December 2024

#### 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 receivables 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 31<sup>st</sup> December 2024

#### 3. Turnover

	2024	2023
	£	£
Subscriptions	5,135,363	4,935,578
Commercial services	3,376,569	3,166,246
Health and safety assessment income	19,343	139,646
Sundry Income	-	-
	<b>£8,531,275</b>	<b>£8,241,470</b>

Turnover relates wholly to activities in the United Kingdom.

#### 4. Administrative costs

	2024	2023
	£	£
Group Administration costs	8,361,509	7,617,821
Health and safety assessment	452,356	130,855
Regional allocations and office costs	1,836,870	2,105,598
	<b>10,650,735</b>	<b>9,854,274</b>

#### 5. Supplementary Revenue Information

	2024	2023
	£	£
The operating surplus for the year is stated after charging:		
Auditors' remuneration: audit	37,000	36,150
tax	12,270	9,325
audit of associate companies	12,075	11,055
other	3,000	3,200
Depreciation	56,631	89,995
Operating lease rentals	398,992	404,593

#### 6. Investment and other income

	2024	2023
	£	£
Investment income from unitised investments	993,356	748,090
Other investment income	-	7,392
Rental income	368,881	399,737
Interest received	611,943	531,222
	<b>£1,974,180</b>	<b>£1,686,441</b>

## The Electrical Contractors' Association

### Notes To The Accounts (Continued)

#### For The Year Ended 31<sup>st</sup> December 2024

#### 7. Share Of Profits Before Tax In Equity Accounted Undertakings

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

	Holding	2024	2023
	%	£	£
ESCA Estates Limited	57.14	<b>200,967</b>	(573,190)
Certsure LLP	25.00	<b>2,234,750</b>	2,131,500
		<b>£2,435,717</b>	<b>£1,558,310</b>

#### 8. Directors' Remuneration

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

	2024	2023
	£	£
As a director	<b>394,028</b>	391,331
Benefits in kind	<b>3,936</b>	3,264
Pension	<b>37,604</b>	15,000
	<b>£435,568</b>	<b>£409,595</b>
Highest paid director		
Emoluments	<b>252,078</b>	246,491
	<b>£252,078</b>	<b>£246,491</b>

Retirement benefits were accruing for no directors of the intermediate holding company throughout the year (2023: 1 director).

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 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:

	<b>2024</b>	2023
	<b>No</b>	No
Administration	<b>106</b>	106

The aggregate payroll costs of these persons were as follows:

	<b>2024</b>	2022
	<b>£</b>	£
Salaries	<b>5,481,405</b>	5,308,455
Social security costs	<b>570,119</b>	562,439
Current pension service costs		
– defined contribution scheme	<b>618,321</b>	474,464
– additional employer contributions	<b>25,524</b>	21,718
	<b>£6,695,369</b>	£6,367,076

	<b>2024</b>	2022
	<b>No</b>	No
Number of key staff	<b>9</b>	9

	<b>£</b>	£
Remuneration of Key Staff	<b>£1,461,572</b>	£1,326,182

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 31<sup>st</sup> December 2024**

#### **10. Pension Scheme (continued)**

##### **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 £618,231 (2023: £496,182). The employee's contribution to this scheme is 5%.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 11. Taxation

	2024	2023
	£	£
UK corporation tax	205,108	448,155
Deferred tax charge	(162,444)	(1,806,876)
Share of corporation tax in equity accounted undertakings	61,910	60,889
	<u>104,574</u>	<u>(1,297,832)</u>
Income tax repayable	1	1
Under/(over) provision in prior years	-	1,830
Total current tax charge	<u>104,574</u>	<u>£(1,296,002)</u>
The differences are explained as follows:	2024	2023
	£	£
Result on ordinary activities before tax	<u>£4,065,590</u>	<u>£4,429,147</u>
Result on ordinary activities before tax multiplied by the hybrid corporation tax rate of 25% (2023: 23.52%)	1,016,397	1,041,759
Effects of:		
Expenses not deductible for tax purposes	15,366	2,128,043
Income not taxable for tax purposes	(325,618)	(1,317,145)
Fixed asset timing difference	(18,508)	(45,598)
Exempt ABGH distributions	313,750	521,550
Other short term differences	(10,895)	4,457
Other permanent differences	(421,503)	7,726
FRS102 chargeable gains	-	662,682
Franked Investment Income	(391,078)	(112,904)
Adjustments to tax charge in respect of previous periods	(11,763)	(14,077)
Group income	-	(1,531,516)
Income tax suffered	(6,613)	-
Remeasurement of deferred tax for for change in tax rates	-	44,139
Deferred tax movement	(54,961)	(2,686,948)
UK corporation tax	<u>£104,574</u>	<u>£(1,297,832)</u>

## The Electrical Contractors' Association

### Notes To The Accounts (Continued)

#### For The Year Ended 31<sup>st</sup> December 2024

#### 12. Tangible Fixed Assets

	<i>Freehold land and buildings</i>	<i>Fixtures, fittings &amp; computer equipment</i>	<i>Total</i>
	£	£	£
<b>COST</b>			
At 1st January 2024	1,824,735	1,196,583	<b>3,021,318</b>
Additions	-	25,312	<b>25,312</b>
Disposals	-	(1,298)	<b>(1,298)</b>
Reclassification	-	-	-
At 31st December 2024	<b>1,824,735</b>	<b>1,220,597</b>	<b>3,045,332</b>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January 2024	710,702	1,081,884	<b>1,792,586</b>
Charge for year	28,796	37,630	<b>66,426</b>
Disposals	-	(1,298)	<b>(1,298)</b>
Reclassification	-	-	-
Impairment	-	-	-
At 31st December 2024	<b>739,498</b>	<b>1,118,216</b>	<b>1,857,714</b>
<b>NET BOOK VALUE</b>			
At 31st December 2024	<b>£1,085,237</b>	<b>£102,381</b>	<b>£1,187,618</b>
At 31st December 2023	<b>£1,114,033</b>	<b>£114,699</b>	<b>£1,228,732</b>

#### 13. Investment Properties

Investment properties comprise office accommodation let out on short term leases. The property was valued by the Officers as at 31 December 2023 based on a valuation by Michael Rogers LLP on 14th December 2023, on a Market Value and Market Rent basis and subsequent movements in market prices to 31st December 2023.

<b>Fair value</b>	£
At 1 January 2024	4,666,667
Revaluation	(1,333,333)
At 31 December 2024	<b>£2,666,667</b>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 14. Fixed Asset investments

FIXED ASSET INVESTMENTS			2024	2023
Share of retained reserves in associated undertakings:			£	£
ESCA Estates Limited			<b>6,466,227</b>	6,567,170
Bluesky Trustee Company Limited			-	-
BASEC Ltd			<b>565,283</b>	1,350,000
Certsure LLP			<b>1,822,705</b>	1,594,435
			<u><b>£8,854,215</b></u>	<u>£9,511,605</u>
Total fixed asset investments				
Movement in holding in Related Undertakings				
At 1 January 2023			<b>9,511,605</b>	19,808,410
Share of (decrease) / increase in net asset value			<b>(657,390)</b>	(10,296,805)
At 31 December 2023			<u><b>£8,854,215</b></u>	<u>£9,511,605</u>

#### Subsidiary Undertakings

Name Of Company	Shares Held	% Of Shares Held	Principal Activity
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

Name Of Company	Shares Held	% Of Shares Held (Indirectly)	Principal Activity
ESCA Estates Limited <sup>1</sup>	£1 Ordinary Shares	57.14%	Property Company
Certsure LLP <sup>3</sup>		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 2022.

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 <sup>1</sup>Rotherwick House, 3 Thomas More Street, London, E1W 1YZ and <sup>3</sup> Warwick House Houghton Hall park, Dunstable LU5 5ZX.

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 15. Debtors

	2024	2023
	£	£
Trade debtors	995,340	355,249
Other debtors	298,403	873,348
Due from related parties	-	1
Corporation tax recoverable	325,939	1,830
Deferred tax	36,915	41,995
Prepayments and accrued income	252,920	97,072
	<u>£1,909,517</u>	<u>£1,369,495</u>

#### 16. Current Asset Investments

	2024	2023
	£	£
UK listed Unitised Funds		
At 1st January	47,265,392	43,073,700
Disposals	(9,227,643)	(8,609,758)
Additions	9,133,404	4,689,240
Unrealised gains	3,359,722	8,112,210
	<u>£50,530,875</u>	<u>£47,265,392</u>

#### 17. Cash and Bank

	2024	2023
	£	£
Cash at bank and in hand	20,352,241	17,344,228
Client money	1,145,072	1,653,737
	<u>£21,497,313</u>	<u>£18,997,965</u>

#### 18. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	3,539,585	3,175,460
Corporation tax	282,903	275,179
Other taxation and social security costs	681,821	694,419
Other creditors	187,259	199,887
Accruals and deferred income	1,009,600	867,777
	<u>£5,701,168</u>	<u>£5,212,722</u>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 19. Provision For Liabilities

	2024	2023
	£	£
<b>Deferred taxation liability</b>		
At 1 January 2024	1,527,337	3,340,404
Movement in the year	(162,444)	(1,813,067)
At 31 December 2024	<u>£1,364,893</u>	<u>£1,527,337</u>
<b>Deferred taxation provision</b>		
Related undertakings	151,466	398,608
Short term timing differences	(101,526)	749,712
Investments	1,300,204	331,500
Fixed asset timing differences	14,749	47,517
	<u>£1,364,893</u>	<u>£1,527,337</u>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 20. Pension Scheme Deficit

	2024 £'000s	2023 £'000s
<b>Change in benefit obligation</b>		
Benefit obligation at 1st January 2023	27,328	26,833
Current service cost	-	66
Interest cost	1,277	1,332
Benefits paid	(1,463)	(1,527)
Insurance premiums	-	(66)
Remeasurements		
Changes in assumptions	(3,163)	661
Experience adjustments	(1,382)	29
Benefit obligation at 31st December 2023	<u>22,597</u>	<u>27,328</u>
<b>Change in plan assets</b>		
Fair value of plan assets at 1st January 2023	27,665	27,395
Interest Income	1,293	1,359
Remeasurements - return on plan assets	(1,463)	(1,527)
Administrative expenses paid from plan assets	(2)	(1)
Insurance premiums	-	(66)
Benefits paid	(2,494)	505
Fair value of plan assets at 31st December 2023	<u>24,999</u>	<u>27,665</u>
<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	22,597	27,328
Fair value of plan assets	24,999	27,665
Surplus not recognised	(2,402)	(337)
Funded status	<u>-</u>	<u>-</u>
<b>Costs relating to defined benefit plans</b>		
<i>Amounts recognised in the statement of comprehensive income</i>		
Costs - changes from employee service	-	66
Net Interest		
Expense	1,277	1,332
Income	(1,291)	(1,358)
	<u>£(14)</u>	<u>£40</u>
<i>Amounts recognised in the statement of comprehensive income</i>		
Changes in assumptions	(3,163)	661
Experience adjustments	(1,382)	29
Pension surplus not recognised	2,065	(225)
Actuarial return less expected return on plan assets	2,494	(505)
Actuarial gain	<u>£14</u>	<u>£(40)</u>

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 21. Pension Scheme Deficit (continued)

	2024	2023
	£'000s	£'000s
<b>Principal actuarial assumptions</b>		
<i>Weighted average assumptions used to determine benefit obligations at:</i>		
Discount rate	5.60%	4.80%
Rate of price inflation (RPI)	3.20%	3.30%
Rate of price inflation (CPI)	2.80%	2.70%
<i>Weighted average assumptions used to determine net pension cost:</i>		
Discount rate	4.80%	5.10%
Pension in payments increase (5% RPI)	3.20%	3.30%
Rate of price inflation RPI	2.70%	3.30%
Rate of price inflation CPI	2.70%	2.70%
<i>Weighted life expectancy on retirement at age 45:</i>		
Male age 65 (current life expectancy)	21.9	23.4
Male age 45 (life expectancy at age 65)	23.5	24.3
<b>Plan assets</b>		
<i>Percentage of plan assets by asset allocation</i>		
Equity Securities	8%	8%
Debt Securities	85%	85%
Property	3%	3%
Other	4%	4%
	<u>100%</u>	<u>100%</u>

#### 21. Analysis of changes in net debt

	At 1 Jan 2024	Cash flows	At 31 Dec 2024
	£	£	£
<b>Cash and cash equivalents</b>			
Cash	18,997,966	2,499,347	21,497,313
<b>Total</b>	<u>£18,997,966</u>	<u>£2,499,347</u>	<u>£21,497,313</u>

## The Electrical Contractors' Association

### Notes To The Accounts (Continued)

#### For The Year Ended 31<sup>st</sup> December 2024

#### 22. Operating Lease Commitments

	2024		2023	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Within one year	280,530	54,687	280,530	39,301
Between two to five years	1,122,118	70,307	1,122,118	61,556
More than five years	2,478,010	-	2,758,540	-
	<b>£3,880,658</b>	<b>£124,994</b>	<b>£4,161,188</b>	<b>£100,857</b>

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

	2024 Land & Buildings £	2023 Land & Buildings £
Within one year	9,362	250,885
Between two to five years	-	1,003,540
More than five years	-	190,710
	<b>£9,362</b>	<b>£1,445,135</b>

#### 23. Related Party Transactions

	2024 £	2023 £
Transactions with related parties:		
Management fee from ESCA Estates Limited	158,508	147,706
Rent paid to ESCA Estates Limited	280,530	280,530
Service charges paid to Esca Estates Limited	170,649	216,935
Dividend received from Esca Estates Limited	240,000	240,000
Provision of Assessment services from Certsure LLP	44,880	50,160
<b>Balances due from / (to) related parties:</b>		
ESCA Estates Limited	(120,415)	(123,360)
Certsure LLP	(1,056)	(3,168)

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

# The Electrical Contractors' Association

## Notes To The Accounts (Continued)

### For The Year Ended 31<sup>st</sup> December 2024

#### 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.

#### 25. Financial assets and liabilities

	2024	2023
	£	£
Financial assets measured at fair value through profit and loss	9,999,287	11,165,342
Financial assets measured at amortised cost	22,791,056	20,226,563
Financial liabilities measured at amortised cost	<u>(3,725,312)</u>	<u>(3,375,347)</u>

#### 26. Contingent Liability

ECA Limited is the guarantor for the JIB Staff Defined Benefit Pension Scheme. The last actuarial report as at 31 January 2021 has shown the assets of the pension scheme were less than the technical provisions by £1,068,000. 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.