

Company Registration No. 2388396 (England and Wales)

CONSTRUCTION INDUSTRY COUNCIL

(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999



Saffery Champness

CHARTERED ACCOUNTANTS

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
COMPANY INFORMATION

Directors	R Nicholson G C Watts G Baker T Wood P Lennon J Dean M Dickson M Tester
Secretary	G C Watts
Company number	2388396
Registered office	26 Store Street London WC1E 7BT
Auditors	Saffery Champness Fairfax House Fulwood Place Gray's Inn London WC1V 6UB

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
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CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

MEMBERS OF COUNCIL

The following are Members of Council:

Architects and Surveyors Institute
Association of Building Engineers
Association of Consultant Architects
Association of Consultant Building Surveyors
Association of Consultant Engineers
Association of Planning Supervisors
Association for Project Management
British Cement Association
British Institute of Facilities Management
Building Research Establishment
Building Services Research and Information Association
Chartered Institute of Building
Chartered Institute of Building Services Engineers
Chartered Society of Designers
Construction Industry Research and Information Association
Consultant Quantity Surveyors Association
Ground Forum
Institute of Building Control
Institute of Clerks of Works of Great Britain
Institute of Highways Incorporated Engineers
Institute of Maintenance and Building Management
Institute of Plumbing
Institute of Civil Engineering Surveyors
Institute of Civil Engineers
Institute of Structural Engineers
Landscape Institute
National House-Building Council
Royal Institute of British Architects
Royal Institution of Chartered Surveyors
Royal Town Planning Institute
Steel Construction Institute
Timber Research and Development Association.

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

Principal activities

The principal activity of the company is to co-ordinate and promote joint action on areas of common interest among organisation within the construction industry.

The company has had a difficult year, with the initial shortfall on the takeover of the trade from CISC until contracts were agreed which covered this shortfall. This years results have also been affected by the resolution of the uncertain VAT position of CIC. This is more fully explained in the notes to the accounts. On 1 August 1999, the company took over the assets, liabilities and trading of CISC Limited, a company whose principal activity was to undertake and provide management, administration and consultancy services on behalf of the Construction Industry Standing Conference which is the forum for co-ordinating the development of National and Scottish vocational qualifications for technical, professional and managerial occupations in planning, construction, property and related engineering services. The operations of CISC Limited are now run through the Construction Industry Council. The net liabilities that were taken over have been charged through the profit and loss account in the year.

Although the balance sheet shows a net liability position at the year end, the accounts have been prepared on a going concern basis as the directors forecasts show that the profits over the next three years will turn the balance sheet into a net asset position. The directors have sufficient cashflow resources to trade out of this position.

Post balance sheet event

On 1 January 2000, the company took over the assets, liabilities and trade of TOPIC for no consideration. It is believed that the administrative savings from running TOPIC through CIC will enable TOPIC to continue to trade, and will benefit both CIC members, and the old members of TOPIC.

Directors

The following directors have held office since 1 January 1999:

R Nicholson	
G C Watts	
G Baker	
A Moir	(Resigned 16 June 1999)
C Vickers	(Resigned 16 June 1999)
T Westwood	(Resigned 16 June 1999)
J Wright	(Resigned 16 June 1999)
T Wood	
P Lennon	(Appointed 16 June 1999)
J Dean	(Appointed 16 June 1999)
M Dickson	(Appointed 16 June 1999)
M Tester	(Appointed 16 June 1999)

Directors' interests

The liability of each member in respect of the undertaking to contribute to the assets of the company is limited to an amount not exceeding £1.

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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;
- 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 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



G C Watts

Director

21 September 2000

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
AUDITORS' REPORT
TO THE SHAREHOLDERS OF CONSTRUCTION INDUSTRY COUNCIL

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the net liability position of the company at 31 December 1999. In view of the significance of this net liability position we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

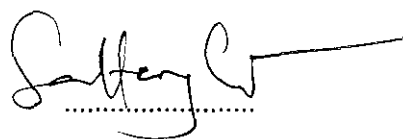
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

Chartered Accountants
Registered Auditors

20 October 2000



Fairfax House
Fulwood Place
Gray's Inn
London
WC1V 6UB

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £	1998 £
Turnover		685,289	481,658
Cost of sales		(172,650)	(136,947)
Gross profit		512,639	344,711
Administrative expenses		(540,768)	(365,581)
VAT written off		(81,068)	-
Operating loss	2	(109,197)	(20,870)
Other interest receivable and similar income		313	145
Loss on ordinary activities before taxation		(108,884)	(20,725)
Tax on loss on ordinary activities	3	(63)	(30)
Loss on ordinary activities after taxation	9	(108,947)	(20,755)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

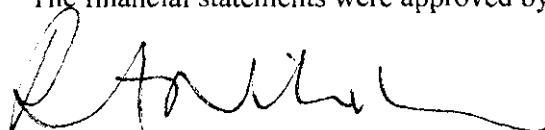
CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
BALANCE SHEET
AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	5		11,636		13,625
Investments	6		2		2
			<u>11,638</u>		<u>13,627</u>
Current assets					
Stocks		8,796		9,275	
Debtors	7	187,768		90,337	
Cash at bank and in hand		99,050		693	
		<u>295,614</u>		<u>100,305</u>	
Creditors: amounts falling due within one year	8	<u>(424,107)</u>		<u>(82,264)</u>	
Net current (liabilities)/assets			<u>(128,493)</u>		<u>18,041</u>
Total assets less current liabilities			<u>(116,855)</u>		<u>31,668</u>
Capital and reserves					
Other reserves	9		-		39,576
Profit and loss account	9		(116,855)		(7,908)
Members' funds - equity interests	10		<u>(116,855)</u>		<u>31,668</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 7 to 12 form part of these financial statements.

The financial statements were approved by the Board on 21 September 2000



R Nicholson
Director

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis as the company has sufficient cashflow resources from its project income and subscriptions to enable it to continue to meet its liabilities as and when they fall due for the foreseeable future. The forecast profits over the next three years show that sufficient surpluses will be generated to turn the net liabilities at 31 December 1999 into net assets over the next three years.

1.2 Turnover

Turnover is derived from membership fees receivable, from sales of videos, cassettes and publications, from the provision of information services and from income generated through projects and conferences.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33.33% per annum
Fixtures, fittings & equipment	15 % per annum

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies **(continued)**

1.9 Group accounts

The subsidiary undertakings of the company are Construction Industry Registers Ltd and Training Organisation for Professionals in Construction, both of which are wholly owned.

The company and its subsidiary undertakings comprise a small group.

1.10 Capital reserves

The capital reserves arose when the company acquired, for no consideration, the net assets of The Building Industry Council amounting to £15,647, and CPD in Construction Group amounting to £23,929. This had been carried in a Capital Reserve, but this year is to be released to the Profit and Loss account in accordance with FRS 10 as it has now been realised.

2 Operating loss	1999	1998
	£	£
Operating loss is stated after charging:		
Amortisation of intangible assets	59,678	-
Depreciation of tangible assets	(32,726)	7,171
Auditors' remuneration	2,000	1,275
	<u> </u>	<u> </u>
 3 Taxation	 1999	 1998
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1998 - 21%)	63	30
	<u> </u>	<u> </u>

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 1999	-
Additions	59,678
	<hr/>
At 31 December 1999	59,678
	<hr/>
Amortisation	
At 1 January 1999	-
Charge for year	59,678
	<hr/>
At 31 December 1999	59,678
	<hr/>
Net book value	
At 31 December 1999	-
	<hr/> <hr/>

The goodwill that arose on the taking over of the net assets of CISC Limited has been written off in the year as it is deemed to have no economic useful life.

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 1999	36,740
Additions	4,861
	<hr/>
At 31 December 1999	41,601
	<hr/>
Depreciation	
At 1 January 1999	23,114
Charge for the year	6,851
	<hr/>
At 31 December 1999	29,965
	<hr/>
Net book value	
At 31 December 1999	11,636
	<hr/> <hr/>
At 31 December 1998	13,625
	<hr/> <hr/>

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 1999 & at 31 December 1999	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Construction Industry Registrars Ltd	England and Wales	Ordinary	100
TOPIC	England and Wales	Sole guarantor	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Construction Industry Registrars Ltd	£2	-
TOPIC	-	(£21,816)

The aggregate amount of the total investment of the company in the shares of subsidiary undertakings stated by way of the equity method is £(21,814).

7 Debtors	1999	1998
	£	£
Trade debtors	61,286	5,880
Amounts owed by group undertakings	50,651	40,760
Amounts recoverable on long term contracts	66,329	-
Other debtors	9,502	43,697
	<u>187,768</u>	<u>90,337</u>

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

8 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	-	16,682
Trade creditors	105,842	36,526
Taxation and social security	51,839	6,882
Other creditors	266,426	22,174
	<u>424,107</u>	<u>82,264</u>

The VAT status of the company is currently unresolved. The company is withdrawing its claim for partial exemption from VAT and claiming that a large proportion of the benefits that accrue to its members by virtue of their subscription, is in relation to printed matter which is zero-rated for VAT purposes. HM Customs and Excise are in negotiations with the company as to the percentage of subscription income that is to be treated as zero-rated. This percentage affects the amount of output VAT due to Customs. The directors are confident that as the company supplies a substantial quantity of printed matter to members, the zero-rate element of subscription income will be considerable. This will reduce the output VAT payable to customs. In the opinion of the directors, the maximum exposure of the company is £32438 which has been provided for in taxation and social security above.

9 Statement of movements on profit and loss account

	Other reserves	Profit and loss account
	£	£
Balance at 1 January 1999	39,576	(7,908)
Retained loss for the year	-	(108,947)
Movement during the year	(39,576)	-
Balance at 31 December 1999	<u>-</u>	<u>(116,855)</u>

10 Reconciliation of movements in members' funds	1999	1998
	£	£
Loss for the financial year	(108,947)	(20,755)
Movements on other reserves	(39,576)	-
Net depletion in members' funds	<u>(148,523)</u>	<u>(20,755)</u>
Opening members' funds	31,668	52,423
Closing members' funds	<u>(116,855)</u>	<u>31,668</u>

CONSTRUCTION INDUSTRY COUNCIL
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999

11 Contingent liabilities

The company has a Business Card Facility for £2,500 with its bankers.

12 Post balance sheet events

From 1 January 2000, the company took over the trade, assets and liabilities of Training Organisation for Professionals In Construction, TOPIC.