

# **The Construction Industry Council**

## **Annual Report and Financial Statements**

31 December 2009

Company Registration Number  
02388396 (England and Wales)

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COMPANIES HOUSE

<b>Directors</b>	G Brown K Clarke P Overall CBE Dr G Masterton OBE J Pringle The Rt Hon N Raynsford MP G C Watts OBE M Wyatt
<b>Company Secretary</b>	G C Watts OBE
<b>Registered office</b>	26 Store Street London WC1E 7BT
<b>Website</b>	<a href="http://www.cic.org.uk">www.cic.org.uk</a>
<b>Registered number</b>	02388396 (England and Wales)
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG

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These pages do not form part of the  
statutory financial statements

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## **Directors' report** 31 December 2009

The directors present their report together with the financial statements of the company for the year ended 31 December 2009

The Construction Industry Council (CIC) is governed by a Council which meets three times per year. The Executive Board, which includes the company directors, reports directly to the Council.

The Council is chaired by CIC's Chairman and comprises representatives from each of the Council's full members. These include the Chairman, Deputy Chairman and Treasurer. In addition, Council may co-opt up to five representatives who may attend Council meetings but have no voting rights.

### **Members of the Council**

The following are members of the Council:

Association of Building Engineers  
Association for Consultancy and Engineering  
Association of Consultant Architects  
Association of Corporate Improved Inspectors  
Association for Project Management  
Association for Project Safety  
British Institute of Facilities Management  
British Interior Design Association  
Building Research Establishment  
Building Services Research and Information Association  
Centre for Education in the Built Environment  
Chartered Institute of Architectural Technologists  
Chartered Institute of Building  
Chartered Institute of Plumbing and Heating Engineers  
Chartered Institution of Building Services Engineers  
Construction Industry Research and Information Association  
Ground Forum  
Institute of Clerks of Works of Great Britain  
Institute of Highways Incorporated Engineers  
Institution of Civil Engineering Surveyors  
Institution of Civil Engineers  
Institution of Highways and Transportation  
Institution of Structural Engineers  
Landscape Institute  
Local Authority Building Control  
National House-Building Council  
National Housing Federation  
Royal Institute of British Architects  
Royal Institution of Chartered Surveyors  
Royal Town Planning Institute  
The Survey Association

## **Directors' report** 31 December 2009

### **Principal activity**

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

The financial statements have been prepared on a going concern basis as the directors' forecasts indicate the company will have sufficient resources to continue to trade for the foreseeable future

### **Review of business**

A summary of the results of the period's trading is given on page 6 of the financial statements

### **Future developments**

The directors foresee that the company's current focus of trading will continue with few changes

### **Directors**

The directors in office during the year were as follows

<b>Directors</b>	<b>Appointed/resigned</b>
G Brown	
K Clarke (Chairman)	
P Overall CBE	Appointed in June 2009
J Hellings	Resigned in June 2009
M A Lees	Resigned in June 2009
Dr G Masterton OBE	Appointed in June 2009
N Ogunshakin	Resigned in June 2009
J Pringle	Appointed in June 2009
G Owens	Resigned in June 2009
The Rt Hon N Raynsford MP	
G C Watts OBE	
M Wyatt	

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

### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 these 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,

**Statement of directors' responsibilities** (continued)

- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ◆ 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Each of the directors confirms that

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- ◆ the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the directors



Graham Watts

Approved by the board on 13.05.2010

## **Independent auditors' report** 31 December 2009

### **Independent auditors' report to the members of The Construction Industry Council**

We have audited the financial statements of The Construction Industry Council for the year ended 31 December 2009, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- ◆ give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent auditors' report** 31 December 2009

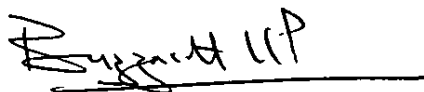
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

- ◆ adequate accounting records have not been kept, 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, or
- ◆ the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Katharine Patel, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
12 New Fetter Lane  
London  
EC4A 1AG

23 June 2010



## Profit and loss account Year to 31 December 2009

	Notes	2009 £	2008 £
<b>Turnover</b>	1	<b>1,638,037</b>	1,504,341
Less Cost of sales		<b>(717,500)</b>	(610,675)
<b>Gross profit</b>		<b>920,537</b>	893,666
<b>Administrative expenses</b>		<b>(921,047)</b>	(911,939)
<b>Operating loss</b>		<b>(510)</b>	(18,273)
Other interest receivable and similar income		—	920
<b>Loss for the financial year before taxation</b>	2	<b>(510)</b>	(17,353)
<b>Taxation</b>	3	<b>501</b>	(5,020)
<b>Loss for the financial year</b>		<b>(9)</b>	(22,373)
<b>Accumulated losses at 1 January 2009</b>		<b>(58,542)</b>	(36,169)
<b>Accumulated losses at 31 December 2009</b>	7	<b>(58,551)</b>	(58,542)

All of the company's activities derived from continuing operations during the above two financial periods

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented


# **Balance sheet** 31 December 2009

	Notes	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	4		5,182		6,668
<b>Current assets</b>					
Stocks		12,466		14,514	
Debtors	5	141,204		149,925	
Cash at bank and in hand		3,276		256	
		<u>156,946</u>		<u>164,695</u>	
<b>Creditors</b> amounts falling due within one year	6	<u>(220,679)</u>		<u>(229,905)</u>	
<b>Net current liabilities</b>			<u>(63,733)</u>		<u>(65,210)</u>
<b>Net liabilities</b>			<u>(58,551)</u>		<u>(58,542)</u>
<b>Capital reserves</b>					
Profit and loss account			<u>(58,551)</u>		<u>(58,542)</u>
<b>Members' funds</b>	7		<u>(58,551)</u>		<u>(58,542)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The notes on pages 9 to 11 form part of these financial statements

Authorised for issue by the directors and signed on their behalf by

 Graham Watts

Approved on 13.05.2010

The Construction Industry Council  
Company registration number 02388396 (England and Wales)

## **Principal accounting policies** 31 December 2009

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

### **Going concern**

The financial statements have been prepared on a going concern basis as directors' forecasts indicate that the company will have sufficient resources to continue to trade for the foreseeable future

### **Turnover**

Turnover represents income generated by the company from membership fees receivable, sales of electronic media and publications, the provision of information services and through projects and conferences

### **Other income**

All other income is credited to the profit and loss account on a receivable basis

### **Tangible fixed assets**

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised

Depreciation is provided at the following annual rates in order to write off each asset on a straight line basis over its estimated useful life

- |                                    |                 |
|------------------------------------|-----------------|
| ♦ Computer equipment               | 33 3% per annum |
| ♦ Fixtures, fittings and equipment | 15% per annum   |

### **Stocks**

Stocks for resale are stated at the lower of cost and net realisable value

### **Restatement of debtors and creditors**

The 2008 comparative debtor and creditor balances have each been restated by £146,243 to remove subscriptions and other items relating to the 2009 financial year, which had been treated as debtors and matching creditors at 31 December 2008

## Notes to the financial statements 31 December 2009

### 1 Turnover

Turnover and the loss before taxation arise solely from the company's principal activities carried out as follows

	2009 £	2008 £
United Kingdom	<b>1,638,037</b>	1,504,341

### 2 Loss for the financial year before taxation

	2009 £	2008 £
This is stated after charging		
Directors' remuneration	<b>176,670</b>	177,109
Operating lease rentals	<b>105,895</b>	107,379
Depreciation	<b>3,023</b>	1,703
Auditors' remuneration - current year audit fee	<b>7,000</b>	6,000
Auditors' remuneration - prior year audit fee under-provision	<b>1,833</b>	800
Auditors' remuneration - other services	<b>7,450</b>	1,300

### 3 Taxation

At 31 December 2009, the company has included an amount for tax receivable. The tax liability for the year ended 31 December 2009 is £2,351 which, together with a loss carry back claim for 2008 of £2,852, results in a tax credit of £501

### 4 Tangible fixed assets

	Computer equipment £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2009	67,693	14,760	<b>82,453</b>
Additions	1,537	—	<b>1,537</b>
At 31 December 2009	<b>69,230</b>	<b>14,760</b>	<b>83,990</b>
<b>Depreciation</b>			
At 1 January 2009	61,819	13,966	<b>75,785</b>
Charge for the year	2,906	117	<b>3,023</b>
At 31 December 2009	<b>64,725</b>	<b>14,083</b>	<b>78,808</b>
<b>Net book values</b>			
At 31 December 2009	4,505	677	<b>5,182</b>
At 31 December 2008	5,874	794	<b>6,668</b>

## Notes to the financial statements 31 December 2009

### 5 Debtors

	2009 £	Restated 2008 £
Trade debtors	139,999	148,560
Other debtors	1,205	1,365
	<b>141,204</b>	<b>149,925</b>

### 6 Creditors: amounts falling due within one year

	2009 £	Restated 2008 £
Bank loans and overdrafts	34,342	28,242
Trade creditors	57,431	107,697
Taxation and social security	50,195	22,882
Accruals	27,342	44,491
Deferred income	51,369	26,593
	<b>220,679</b>	<b>229,905</b>

### 7 Reconciliation of members' funds

	2009 £	2008 £
<b>Equity funds</b>		
Opening members' funds at 1 January	(58,542)	(36,169)
Loss for the financial year	(9)	(22,373)
Closing members' funds at 31 December	<b>(58,551)</b>	<b>(58,542)</b>

### 8 Related parties

The Construction Industry Council received £442,763 (2008 £405,244) in annual subscription fees from the Council Members listed on page 1 to the accounts. These transactions were conducted on an arms length basis and any amounts outstanding at the year end are cleared in the normal course of business.

The Construction Industry Council provided management services amounting to £87 (2008 - £337) to Construction Umbrella Bodies (Holdings) Limited (CUB (Holdings) Ltd), a company of which G C Watts is a director and which is partly owned by the Construction Industry Council. The balance due from CUB (Holdings) Ltd at 31 December 2009 was £187 (2008 - £337).

The Construction Industry Council received £25,000 in fee payments (2008 - £50,000) from the Considerate Constructors Scheme Limited (CCS Ltd), via its parent company, CUB (Holdings) Ltd – which is partly owned by the Construction Industry Council – for services rendered by Construction Industry Council staff in 2009 to assist the governance and strategic development of the CCS Ltd in the year.

## Notes to the financial statements 31 December 2009

### 9 Lease commitments

The company has the following annual commitments in respect of non-cancellable operating leases expiring as follows

	<b>2009 Land and Buildings £</b>	<b>2009 Other £</b>	<b>2008 Land and Buildings £</b>	<b>2008 Other £</b>
Between two and five years	<b>90,089</b>	<b>8,379</b>	102,453	8,374

## Detailed trading and profit and loss account Year ended 31 December 2009

This page does not form part of the statutory financial statements

	2009 £	2009 £	2008 £	2008 £
<b>Turnover</b>				
Membership subscriptions		455,668		416,049
Regional membership subscriptions		—		51,371
Sale of publications		12,327		26,953
Project income		997,782		839,677
Registration income		143,571		108,910
Miscellaneous income and recharges		28,689		61,381
		<u>1,638,037</u>		<u>1,504,341</u>
<b>Cost of sales</b>				
Cost of publications and expenses	206,527		124,495	
Project expenses	<u>510,973</u>		<u>486,180</u>	
		<u>(717,500)</u>		<u>(610,675)</u>
<b>Gross profit</b>		<u>920,537</u>		<u>893,666</u>
<b>Administrative expenses (page 13)</b>		<u>(921,047)</u>		<u>(911,939)</u>
<b>Operating loss</b>		(510)		(18,273)
<b>Other interest receivable and similar income</b>				
Bank interest received		<u>—</u>		<u>920</u>
<b>Loss before taxation</b>		<u>(510)</u>		<u>(17,353)</u>

## Schedule of administrative expenses Year ended 31 December 2009

This page does not form part of the statutory financial statements

	2009 £	2008 £
<b>Administrative expenses</b>		
Wages and salaries	374,523	403,166
Directors' remuneration	176,670	177,109
Staff benefits and training	7,235	5,070
Staff recruitment costs	—	1,755
Honorary expenses	1,080	273
Rent	97,520	97,520
Insurance	6,588	6,047
Repairs and maintenance	7,693	11,352
Postage and carriage	3,523	3,738
Stationery	5,766	6,090
Printing	8,058	10,271
Office equipment	5,629	3,136
Room hire and meeting costs	2,744	4,517
Telephone and fax	14,709	12,289
Hire of equipment	9,749	8,406
Travel and subsistence	8,843	11,496
Entertaining	10,776	15,901
Legal and professional fees	3,472	4,538
Consultancy fees	54,109	43,228
Audit and accountancy	16,283	8,100
Bank charges	5,257	4,274
Sundry expenses	8,071	9,773
Subscriptions and publications	5,684	6,385
Irrecoverable VAT	72,814	55,029
Depreciation on computer equipment	2,906	1,586
Depreciation on FF & E	117	117
Marketing and advertising	2,071	773
Bad debts	9,157	—
	<b>921,047</b>	<b>911,939</b>