

CONSTRUCTION INDUSTRY TRUST FOR YOUTH

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2006

Company No 04461612 (England and Wales)
Charity Registration Number 1094323

55 Tufton St
London
SW1P 3QL



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18/05/2007
COMPANIES HOUSE

Southworth & Co Ltd

Chartered Accountants

Four Elms
Edenbridge
Kent TN8 6NE

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CONSTRUCTION YOUTH TRUST

ANNUAL REPORT of

THE CONSTRUCTION YOUTH TRUST

For the period 1st September 2005-31st December 2006

PATRON

HRH The Duke of Gloucester KG GCVO

PRESIDENT

Sir Michael Latham DL MA FRSA
Hon Vice President – Anthony P Hill FCIOB

CHAIRMAN

Rod Bennion MRICS

Trustees

Rod Bennion MRICS FRSA
(Chairman)
Douglas A Barrat FRSA

Michael A Brown BSc MSc FCIOB
John Carpenter FRICS
Denise Chevin
Norman Critchlow BSc Econ FCA
Martin K Davis MA Cantab
Anthony J Furlong RIBA

Richard B Haryott FR Eng

Paul Hyett AADipl M Phil
HonDArt PPRIBA

Richard Laudy
Rob Oldham BEng MSc CEng MICE
Martin P W Scarth CEng MICE MCIOB
John C M Taylor MBE MA MSc FCGI
Alistair H C Voaden FRICS
Andy Wates MBA

Trust director

Philip R Wildman
OBE HonRICS
FRGS

Company

Secretary
Jo Cooke ACIS

Administrator

Beryll Camplin

Administration Office

55 Tufton Street, London
SW1P 3QL
Tel 020 7227 4560
Email cyt@thecc.org.uk
www.constructionyouth.org.uk

AUDITOR Thompson & Hunter Chartered Accountants Registered Auditor 43/45 High St, Sevenoaks	SOLICITOR D A Martin & Co 13 Holywell Row, London EC2A 4JF	BANKER Lloyds TSB plc 34 Moorgate, London EC2R 6DN
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Charity Registration Number 1094323 The Construction Industry Trust For Youth
A company limited by guarantee No. 0446 1612

<p style="text-align: center;">CHAIRMAN'S INTRODUCTION for the period 1st September 2005 to 31st December 2006</p>
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The last year has seen substantive progress in the work of the Trust enabling us to touch the lives of many more young people. This work has ranged from introducing schoolchildren to the full range of opportunities offered in the built environment to enhancing our bursary programme for apprentices and undergraduates and project managing programmes teaching skills and giving employment to both youngsters and young adult returners.

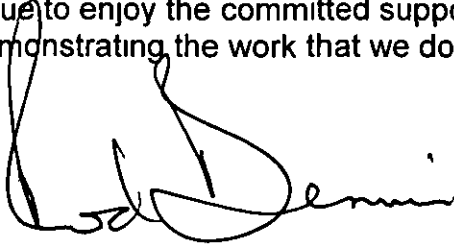
The partnership with ConstructionSkills goes from strength to strength delivering very positive outcomes particularly around the diversity agenda.

The Trustees with the help of Charities Aid Foundation (CAF) have undertaken a governance review to give us the right structures, policies and risk processes as we transition from a small to a medium size charity.

This was also done in parallel with a major strategy review which has been endorsed by the Council of Trustees to give us a clear direction for growth in the next three years. Whilst continuing our bursary and project based work, we will be growing our project based bidding work seeking sustainable funding from grant giving Trusts and wider sources of public and private sector funding. We also plan to be more effective in the Regions.

2006 has seen the appointment of Gail Cunningham as our fundraising and communications manager. We have also been working with a very talented group of associates to help deliver our programmes with excellence. We want to continue to be known for the support of the young people we help to overcome barriers, and for the agility and effectiveness in the way we operate.

We continue to enjoy the committed support of our Patron and President particularly at events demonstrating the work that we do and fundraising events.



Rod Bennion: Chairman

Date: 3 May 2007

TRUSTEES' REPORT

SECTION A: THE NATURE AND GOVERNANCE OF THE TRUST

Reference and Administrative Details of the Charity, its Trustees and Advisers

Name The Construction Industry Trust for Youth (working name Construction Youth Trust)
Charity Registration Number 1094323
Company limited by guarantee No 0446 1612
Administration Office 55 Tufton Street, London SW1P 3QL

Trustees Mr Rodney Bennion MRICS, Chairman and 15 other Trustees as named on the frontispiece
No Trustees have taken up or demitted office in the period

Senior Staff member PR Wildman OBE HonRICS FRGS, with working title "CYT Director"

Banker Lloyds TSB plc, 34 Moorgate, London EC2R 6DN

Solicitor D A Martin & Co 13 Holywell Row, London EC2A 4JF

Auditor Thompson & Hunter, Chartered Accountants, Registered Auditor, 43/45 High St, Sevenoaks

Structure, Governance and Management

The Construction Youth Trust is constituted as a Company Limited by Guarantee under Memorandum and Articles of Association which came into force on 14 June 2002

Recruitment of Trustees

Recommendations for the appointment of new trustees is overseen by a committee of Trustees in the first instance, and appointments are referred for approval by Council in accordance with current best practice

Organisation Structure The Construction Industry Trust for Youth is governed by a Council whose members are the Trustees of the Charity and Directors of the Company This Council meets quarterly and is responsible for the strategy of the Trust and the upholding of its objectives There are three subgroups, each with terms of reference defined by the Council The Chairman and the Finance Director/Treasurer are ex-officio members of all these and the Director is in attendance at these meetings

- Services (responsible for grants and youth projects)
- Resources & Communications, concerned with raising funds and communicating issues of interest to stakeholders
- Nominations and Remunerations, concerned with the remuneration of permanent staff, and with the make-up of the Trustee body

The activities of the Trust are managed by a small executive staff The award of bursaries and grants is overseen by the Services Group in accordance with Terms of Reference and delegated powers agreed by Council

Related parties The Trust President, Sir Michael Latham, is Chairman of ConstructionSkills and many Trustees are senior figures within built environment companies, partnerships or associations with whom the Trust works

Major Risks The Council has conducted its review of the major risks to which the Trust is exposed and systems have been established to mitigate those risks Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects These procedures are periodically reviewed to ensure that they continue to meet the objectives of the Trust

Objectives and Activities

The Object of the Construction Youth Trust is to improve the conditions of life for young people in the United Kingdom and to overcome barriers to their education, learning, training or employment arising by reason of their youth, disability or economic or social circumstance

The Trust aims to help young people to maximise their potential through skills relevant to the construction industry. Programmes aim to create a real advance towards employability where possible, both by educating beneficiaries as to the opportunities and by acting as a force for good within the industry to widen access to opportunity.

The activities that support these aims which the Trust undertakes are -

- Initiating and managing projects which create opportunities to acquire skills, or give access to employment. These will often be in partnership with community or other bodies, and may be funded by a mix of donations and funding from charitable foundations and statutory bodies. Support grants will also be given to community-based projects which impart skills and opportunities, to enhance their effectiveness or reach.
- Bursaries to assist in the financial burden of education and training at FE and HE levels, prioritised towards individuals whose financial circumstances limit their options.
- Events connecting the industry with community groups and so promote industry-community linkage.

All grants are awarded to alleviate disadvantage and to assist in meeting financial pressures which threaten or limit opportunity. Bursaries are only awarded for costs associated with acquiring training and vocational education relevant to the construction and built environment industry. Support grants to projects are awarded only for revenue costs associated with skills and employability initiatives in the same field. The Trust reviews the detailed criteria for award from time to time in the light of emerging needs and guidance is published in the Trust website www.constructionyouth.org.uk

Main Objectives for the period

The main objectives for the period have been to

- Expand the Trust's impact and reach in helping young people and,
- Identify barriers to advancement and so improve effectiveness.

The principal strategies by which these overall objectives have been met have been through

- Sustaining and building on the successful Construction-Skills funded programme which supports a variety of innovative approaches to improving access to employment and experience,
- Continuing a programme of bursaries supporting individuals in a variety of trade training and professional level courses,
- Supporting grants to projects, with the emphasis on continuing support to programmes of proven merit, and in particular to enhance their effectiveness,
- Acting as a force for good within the industry to widen access to opportunity, encouraging industry companies to collaborate and to engage with the community.

Achievements and Performance

A more detailed review of the activities related to these objectives and of the achievements of the Trust is set out in more detail at Section B. Whilst the Trust will seek where possible to expand the reach and impact of its operation in numbers terms, it is concerned principally with outcomes.

The Trust maintains contact with its individual and project beneficiaries through the period of their financial support, and afterwards, both with the aim of ensuring a successful continuing outcome, and also in learning lessons which will help future programmes.

Fund-raising activities focus on the industry, through the encouragement of corporate giving and through industry-centred events, organised by supporters of the Trust or by the Trust itself. The Trust does not raise funds through direct appeals to the general public, though the Trust website provides a mechanism for donations.

Financial Review

In the period of this report, as in past years, the construction industry is the principal source of funds to support activities, with a small proportion from charitable foundations and other miscellaneous sources. Funds may be acquired for restricted purposes for projects or bursaries which meet both the Trust's goals and that of a collaborator or supporter, and are managed accordingly.

Reserves:

The Trust's reserves policy is based upon a forecast of the likely levels of expenditure over the foreseeable future with particular reference to potential needs that are unlikely to be able to be met from estimated income. The policy is subject to review and amendment in the light of actual events.

Investment Policy and Performance

The Council of Management has considered the most appropriate policy for investing funds and has found that, at the present time, investments in COIF Charities Deposit Fund offers the Trust the combination of liquidity, security and yield that meets its requirements.

Financial Reporting Year

The last Annual Report covered the period 1st September 2004 to 31st August 2005. Following an internal review, and in the light of the agreed strategy, Trustees decided to change the Trust's accounting and reporting dates to the calendar year. The first full new financial year will begin 1st January 2007 and end 31st December. To give effect to this, an additional 4 month period has been added to the 05-06 operating year, to close the account at 31st December 2006.

Plans for Future Periods

Strategic Review 2006

During 2006, the Trust undertook a review of its strategy with a view to expanding and improving its charitable operations. The agreed strategy, to be implemented during 2007, proposes a greater involvement in the initiation and management of charitable projects in partnership with charities and community groups. It assumes a greater utilisation of external funding from charitable foundations and statutory bodies. Changes in the strategic objectives and related activities are outlined in Section B.

Governance Review

In tandem, and with funding from the Charities Aid Foundation, the Trust engaged a consultant to examine its governance structure and processes and the related process of top level operational control.

The Trust is now implementing changes to its management control and governance structure to ensure that they constitute a robust framework for the future. The review is likely to result in changes to the structures of management for charitable expenditure on projects, and the award of grants, to ensure effective oversight and the identification and management of risk within the new strategy. It includes consideration of external risks to funding and planning for the diversification of funding and activities. The future balance of training, knowledge and expertise amongst Trustees will also be considered.

Statement of Trustees Responsibilities

Company Law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for the financial year. In doing so, the Trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Follow applicable accounting standards and the Charities SORP, disclosing and explaining any material departures in the financial statements,
- Preparing the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Rod Bennion: Chairman

Date: 3 May 2007

SECTION B:

ACTIVITIES OF THE TRUST DURING THE PERIOD 1st SEPTEMBER 2005 to 31st DECEMBER 2006:

Introduction: Continuity And Change

During this year, the operation of the trust has continued along lines which emerged from the strategic review of 2003, namely

- A continuation of the programme of individual bursaries,
- Further development of the Trust's involvement in community-based projects, both in the delivery of skills and employment opportunities and in the provision of pre-qualification skills and understanding

In the light of the experiences of the past few years, valuable lessons have been learned in the support of charitable projects which justify a further development of the Trust's strategy for 2007 onwards. This activity report concentrates on the charitable work of this immediate past period but concludes with an outline of plans for the future.

General Outline of Operation

Since 2003, Trust activity has followed the twin track of bursaries to individuals and support to projects within communities, the latter normally having been initiated by a community-based group. Support has often taken the form of a financial contribution to the project along with advice and connections to industry to enhance effectiveness and/or reach.

Since 2004, a Memorandum of Agreement with *ConstructionSkills* has resulted in a dedicated funding stream which has made further activity possible. This funding stream is a major contributor to capacity. It was originally centred on assisting the Sector Skills Council to improve the take up of women and ethnic minorities into all levels of the industry. Through the success of this original task, the work for *ConstructionSkills* has since expanded to cover adult entrants and apprentices, Information Advice & Guidance (IAG) programmes for careers advisers and undergraduate support and sponsorship programmes.

Lessons learned from the *ConstructionSkills* programmes has fed into programmes initiated by the Trust independently and vice versa. In discussion with industry on general Trust projects, the Trust has sought continually to champion improved opportunities for women and ethnic minorities, for instance. In support of vocational education initiatives, the Trust has begun to help these to increase their access to the industry as a result of its experience of *ConstructionSkills* employer initiatives.

Bursary Programmes

Over 70 young people studied with the help of a bursary during from 1st Sept 2005 to the end of 2006.

Just over a half were students who applied directly to CYT, often as a result of searches on the internet, or through college/university welfare officers, or through other intermediaries such as the Connexions or Young Offender Services. These bursaries are open to students undertaking recognised NVQ, National Certificate or undergraduate courses and the range of courses is correspondingly wide. It includes professional engineering and construction management, basic building crafts, plant, health & safety courses and a variety of trade skills or specialist courses. The offer is open to British citizens or permanent residents, at present students live, or are studying, in all the English regions, Scotland and Wales. Help may be given to students on full time courses lasting a full year or longer, or on short courses (predominantly for trade skills).

In about 20% of these cases, support to the student is given jointly with a built environment company sponsor. The Trust is seeking to expand this arrangement.

Beginning with the academic year 2005-06, the Trust has also identified and supported students in the five Olympic boroughs through *ConstructionSkills* funding, contributing to the Inspire Scholarship.

programme 13 began undergraduate studies in September 2005, and a further 22 in September 2006. The Inspire programme is a nationwide ConstructionSkills programme designed to attract talent into professional careers in the built environment industry and CYT was asked in particular to encourage female and ethnic minorities to take this opportunity.

Vocational Education and Introductory Skills

The Trust has worked with and supported projects designed to impart vocational skills, understanding and inspiration since before 2002, when the Trust re-considered its strategy. In the period to the end of 2006 the Trust gave 8 small grants (defined as under £10k but more typically £2000 to £5000).

Vocational skills can be a potential entrée to productive and satisfying employment when studied in a structured sustained programme. They can also be a means of gaining self confidence and esteem, thus encouraging greater engagement with core skills in education.

The Trust has preferred to sustain its support to projects of proven worth over a number of years, to actively champion their cause and to enhance their range of industry contacts and opportunities. In addition to a grant, support takes the form of advice, encouragement, expertise and the assistance of the Trust team, Trustees or associates. The aim of this is to improve outcomes, for instance in improving the project's contact with industry. The Trust will be increasingly seeking to engineer connections to turn training into improved access to employment opportunity. Our experience and knowledge of the industry may also shape and steer programmes at the strategic level.

Young people have been involved in programmes in London, the South East, Wales and the Northwest. In 2006, the majority on structured projects covering the length of the school year.

ConstructionSkills-funded Employment Programmes

Typically, employment programmes funded through *ConstructionSkills* are undertaken in tandem with an employer with whom the Trust project team have brokered an agreement. These agreements fall into one of two heads:

- **Diversity** Programmes of action aimed at encouraging women or ethnic minorities to apply for recruitment to industry. Programmes include outreach activity and work placements, typically the programmes also involving changes in internal recruiting and mentoring procedures.
- **Employment initiatives** Programmes take two main forms:
 - Three companies and one college-led consortium have agreed to locate *ConstructionSkills*-funded work place coordinators within their operation, with a view to ensuring the availability of employment opportunities within the communities where they operate. Companies are also encouraged to up-skill the existing work force.
 - CYT contributes to the *ConstructionSkills* initiative known as Programme Led Apprenticeships. This is a nationwide initiative by the Sector Skills Council aimed at securing employment opportunities for able students already at FE college courses but who are not yet connected to an employer. The Trust was asked to lever its wide connections within the industry to secure additional employer support and the results will be manifest in 2007. Diversity of the workforce is a cross-cutting theme in these programmes.

These programmes have resulted in employment outcomes and extended, paid work placements nationwide, but with a particular focus in London, the Southeast and the Midlands. In all:

- Over 130 BAME/women were assisted into a variety of employment or, in a minority of cases, paid work placements of 6 weeks or greater.
- An adult apprentice programme begun in 2006 secured employment for c40 people with an industry company, a Local Authority DLO or other organisation.

Awareness Raising and Confidence Building

Raising the awareness of young people, and those who guide them, is assuming increased importance. Lack of awareness or understanding of the industry is itself a barrier since it creates wrongful perceptions and discourages individuals and communities from seeking to improve their circumstances through industry skills. Where individuals and communities do actively want to connect to the industry, they are unaware of just what might be aspired to. As a result the Trust and trustees have been involved in:

- Schools Careers Workshops

- **ConstructionSkills IAG programme**

The Trust has addressed school children and career advisers in Manchester, Birmingham and London

Confidence Building

With the funding assistance of CITB, three student confidence-building days have been undertaken in London and Liverpool. Taking small groups of students, they are designed to give confidence to young women and ethnic minorities, that a professional career in the industry would be welcoming and fruitful. The overall aim is to encourage a greater take-up of industry careers after graduation. The course consists of presentations on the industry structure, networking with young professionals and mock interviews conducted by company representatives.

Work Placements

The Trust increasingly sees work placements as a valuable tool for creating real understanding and for building confidence. Successful placements have been made in major construction contracts and in consultancy offices in London in 2006 and the Trust envisages that this strand of work will grow.

Community Engagement initiative In late 2005, agreement was reached with a major construction contractor on support to be given to two schools in the vicinity of a major refurbishment project in central London. The programme will run for the life of the construction project till end 2007. As a result of the pilot period, the Trust sees this sort of initiative expanding in 2007 via other contractors and, importantly, developing into a broad based community engagement initiative.

Influencing the Debate

In its projects and through support to individual students, the Trust seeks to create a body of expertise in good practice and to influence debate amongst the industry, education and regeneration communities. Its aim is to encourage greater, and mutually profitable, connections between industry and community. Key activities have been:

- ConstructionSkills-funded research into apprentice recruitment experiences
- Speeches at industry and regeneration conferences and other events around the country
- A commissioned consultancy to develop a proposal for a job brokerage system for local people which would eventually fit into a wider network
- The formation of a Graduate Working Group for London to examine the reasons for poor take-up of built environment degrees amongst East London boroughs

The Trust maintains links with professional and trade bodies as a part of this process.

Changes Ahead For The Trust

For the future, although bursaries and small project grants will continue, the main strategic approach of the Trust will be to directly steer and manage programmes aimed at addressing barriers and providing benefits to young people and their communities. The Trust will remain focused on overcoming barriers as described earlier in this report but will substantially enhance its reach as follows:

- To initiate programmes directly, especially in order to demonstrate and spread good practice. It is likely that some programmes in this category will derive from projects addressing a specific barrier to fulfilment of potential, which the Trust has seen working well in a single locality. The Trust will aim to secure funding and, where applicable, industry collaborative support, to develop the same theme more widely in other areas, in some cases nationally.
- To respond to invitations from government agencies and charitable institutions to meet goals set by those bodies, where those goals converge with the charitable objects and priorities of the Trust.

The Trust will now expect to raise the levels of income substantially through bidding, both by initiation of proposals (mostly to charitable foundations, but also to statutory bodies where appropriate) and by bidding in response to invitations to tender (ITT) from agencies (and on occasion from charitable foundations).

The year 2007 will see the launch of this strategy, which should lead to expansion in the number and range of young people helped. In the same timeframe, the Trust will need to strengthen its understanding and background expertise. It is planned to widen its circle of advisers, to include volunteer associates within the industry, education and selected community policy fields.

EVENTS

The Trust arranges events for the purpose of fund-raising and to communicate the Trust message, it also seeks willing companies and partner organisations who will dedicate the proceeds of charitable donations from their events to the Trust. Trust-organised events may be centred on entertainment, or may take the form of networking occasions for leading industry figures, from which the Trust itself hopes to generate new friends and contributors.

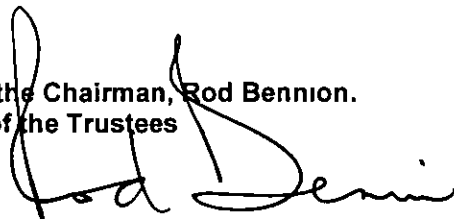
Opportunity is also taken through these events to introduce some young beneficiaries or project partner organisations to leading industry figures and to contribute to the work of the trust in influencing the debate. This gives heads of industry a chance to meet those who are just embarking on a career, or who act as mentors to young people, and to discuss from their perspective how barriers to acquiring skills may be overcome. Key events of this kind in the period were

Sept 05-06

- The President of the Trust hosted a lunch at the Carlton Club in October 2005. Specially invited senior industry figures heard the plans of the Trust and discussed some of the key barriers to skills.
- Through arrangements made by the Trust, the Patron, HRH The Duke of Gloucester made two visits to major construction projects in 2006. Visits include influential industry figures and built environment students. The visits were
 - To see the Terminal 5 development in February 2006 under the auspices of BAA Heathrow
 - A hosted visit to the Land Securities development at New Street Square, Clerkenwell in September 2006

Signed by the Chairman, Rod Bennion.
on behalf of the Trustees

Date. 3rd May 2007



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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE CONSTRUCTION INDUSTRY TRUST FOR YOUTH

We have audited the financial statements of Construction Industry Trust for Youth for the year ended 31 August 2006 which comprise of the Statement of Financial Activities, Balance Sheet and Notes to the Financial Statements which have been prepared under the accounting policies set out therein

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Trustees and Auditors

The Trustees responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the Statement of Trustees responsibilities in the Trustees report.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and international auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion the Trustees report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if any information specified by law regarding Trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with international standards on auditing issued by the Auditing Practices Board. An audit includes the 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 Trustees in the preparation of the accounts and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a fair view of the affairs of the charity as at 31 August 2006 and of the incoming resources and application of resources, including its income and expenditure for the year ended, and have been properly prepared in accordance with the Companies Act 1985.

Thompson & Hunter
Chartered Accountants
Registered Auditor

43-45 High Street
Sevenoaks
Kent TN13 1JF

Thompson & Hunter

8 May 2007

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 August 2006

	Notes	Unrestricted funds	Restricted Funds	Total 2006 £	Total 2005 £
Incoming Resources	1b				
Donations and gifts		83,909	0	83,909	111,873
Support from industry		0	455,980	455,980	165,900
Consultancy		6,970		6,970	
Fund raising events		50,747	0	50,747	23,120
Investment income		12,440	0	12,440	7,862
Total Incoming Resources		154,066	455,980	610,046	308,755
Resources expended					
Cost of generating funds					
Fund raising events cost		11,370	0	11,370	18,792
		11,370	0	11,370	18,792
Charitable Expenditure					
Cost of activities in furtherance of the charity's objectives					
New grant commitments in 2005-6	3	31,822	0	31,822	93,175
Community based projects	3	0	438,610	438,610	135,496
Management and Administrative expenses	4	91,046	0	91,046	71,548
		122,868	438,610	561,478	300,219
Total Resources Expended		134,238	438,610	572,848	319,011
Net Incoming (Expended) Resources for the Year		19,828	17,370	37,198	(10,256)
Fund balances brought forward from Trust		125,669	404	126,073	136,329
Fund balances carry forward		£145,497	£17,774	£163,271	£126,073

The statement of financial activities includes all gains and losses recognised in the year
All incoming resources and resources expended derive from continuing activities

BALANCE SHEET
AS AT 31 August 2006

	Notes	2006 £	2005 £
Current Assets			
Debtors		21,280	11,750
Cash at bank and in hand	5	<u>436,423</u>	<u>236,830</u>
		457,703	248,580
Creditors			
Amounts falling due within one year	6	<u>(294,432)</u>	<u>(110,507)</u>
Net current assets		<u>163,271</u>	<u>138,073</u>
Creditors			
Amounts falling due after one year	6	0	(12,000)
Net Assets		<u>£163,271</u>	<u>£126,073</u>
The Funds of the charity			
Restricted Income funds		17,774	404
Unrestricted Income Funds		145,497	125,669
Total Funds		<u>£163,271</u>	<u>£126,073</u>

The financial statements which have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies were approved by the board on 3 May 2007 and signed on its behalf



N J Critchlow

Notes to the financial statements for the year ended 31 August 2006

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Management and administrative expenses include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

e) Taxation

The company is a registered charity and no taxation has been provided for, in the accounts, in accordance with S505 ICTA 1988

2 Legal status of the charity

The charity is limited by guarantee and has no share capital. The liability of each member is limited to £1

Notes to the financial statements for the year ended 31 August 2006

	Unrestricted Funds	Restricted Funds	Total	2005
3 New grant commitments in 2005-6				
Community Based Projects	21,622	0	21,622	36,500
Small Project Grants	10,200		10,200	
BAA Terminal 5/CITY Joint Bursaries, cohort 3	0	0	0	20,000
Individuals	0		0	42,675
Prior year adjustment	0		0	(6,000)
	<u>31,822</u>	<u>0</u>	<u>31,822</u>	<u>93,175</u>
Community based projects				
CITB young and adult apprentices		113,000	113,000	18,000
Employment outputs		181,500	181,500	
Inspire scholarships		21,000	21,000	
Training		1,044	1,044	
Partnership Development Salaries		62,297	62,297	58,405
CYT allocated salary costs		38,300	38,300	33,968
Consultancy		0	0	15,658
Direct expenses and overheads		21,469	21,469	9,465
		<u>438,610</u>	<u>438,610</u>	<u>135,496</u>
	<u>31,822</u>	<u>438,610</u>	<u>470,432</u>	<u>228,671</u>
4 Management and Administrative expenses				
Salaries	62,860		62,860	80,189
less allocated to projects	0		0	(33,968)
Telephone	457		457	94
Rent & Rates & Heating	19,460		19,460	8,112
Computer Costs	2,188		2,188	
Office	567		567	1,386
Insurance	718		718	797
Stationery & post	3,162		3,162	2,177
Travel	420		420	1,078
Meeting expenses	997		997	1,666
Public relations costs	3,603		3,603	3,808
Office costs 2004/5	2,650		2,650	0
Accountancy fees	9,009		9,009	5,995
Legal fees	0		0	0
Bank Charges	266		266	214
Office costs allocated to CITB	(15,311)		(15,311)	
	<u>91,046</u>	<u>0</u>	<u>91,046</u>	<u>71,548</u>
5 Cash at bank and in hand				
C O I F deposit account Current rate (4 3%)			381,105	201,105
Lloyds TSB current account			55,318	35,725
			<u>436,423</u>	<u>236,830</u>
6 Creditors Amounts falling due within one year				
Accruals			4,897	1,750
Grants committed			289,535	108,757
			<u>294,432</u>	<u>110,507</u>
Creditors Amounts falling due after one year				
Grants committed			0	12,000
			<u>0</u>	<u>12,000</u>