

# **CONSTRUCTION INDUSTRY TRUST FOR YOUTH**

(A company limited by guarantee)

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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

55 Tufton St  
London  
SW1P 3QL

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# **Construction Youth Trust**

Annual report  
of

## **The Construction Industry Trust for Youth**

Year ended 31<sup>st</sup> December 2007

### **PATRON**

HRH the Duke of Gloucester KG GCVO

### **PRESIDENT**

Sir Michael Latham DL MA FRSA  
Hon Vice President – Anthony P Hill FCI0B

### **CHAIRMAN**

Rod Bennion MRICS FRSA

### **TRUSTEES**

Rod Bennion MRICS FRSA (Chairman)  
Douglas A Barrat FRSA  
Michael A Brown BSc MSc FCI0B  
John Carpenter FRICS  
Norman Critchlow BSc Econ FCA (Treasurer)  
Martin K Davis MA Cantab  
Anthony J Furlong RIBA

Richard B Haryott FR Eng  
Richard Laudy  
Rob Oldham BEng MSc CEng MICE  
Martin P W Scarth CEng MICE MCI0B  
John C M Taylor MBE MA MSc FCGI  
Alistair H C Voaden FRICS  
Andy Wates MBA

**Trust Director** Chrstine Townley BSc CEng  
MICE

**Company secretary** Jo Cooke ACIS

**Administrator** Beryll Camplin

### **Registered Office**

55 Tufton Street, London  
SW1P3QL

Tel 0207227 4560

Email [cyt@cytrust.org.uk](mailto:cyt@cytrust.org.uk)

[www.constructionyouth.org.uk](http://www.constructionyouth.org.uk)

<b>Auditor</b> Thompson and Hunter Chartered Accountants Registered Auditor 43/45 High St Sevenoaks	<b>Solicitor</b> D A Martin and Co 13 Holywell Row, London EC2A 4JF	<b>Banker</b> 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. Company Number 04661612

**Report of the Trustees for the year ended 31 December 2007**

The trustees, who are also directors for the charity for the purposes of the Companies Act, submit their annual reports and the audited financial statements for the year ended 31 December 2007. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up on 14/06/02 as The Construction Industry Trust for Youth. It created the working name of Construction Youth Trust in 2004. It has no share capital and is a registered charity.

During the year the following Trustees resigned

Denise Chevin	resigned 11 <sup>th</sup> June 2007
Paul Hyett	resigned 3 <sup>rd</sup> December 2007

**Structure, Governance and Management**

**Governing Documents**

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

**Organisational Structure**

The Construction Youth Trust 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. In 2007 the Council agreed to undertake a governance review and in particular to review the subgroups with the aim of recognising the shift to an executive rather than Trustee led delivery model. Council agreed that there would be four subgroups and defined their terms of reference. The Chairman is ex-officio member of all these sub-groups and the Trust Director is in attendance at these meetings.

- Resources
- Governance
- Audit
- Services
- Fundraising

The activities of the Trust are managed by a small executive staff. The quality and effectiveness of our programmes and 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 Patron is His Royal Highness The Duke of Gloucester and the Trust's President is Sir Michael Latham, Chairman of ConstructionSkills. 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.

### **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 anytime 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.

### **Objectives and activities**

Construction is the UK's largest sector offering exciting opportunities for training and employment in a variety of roles. Young people throughout the UK face barriers to accessing these opportunities for a variety of reasons -

- Lack of understanding of the industry
- Low aspirations
- Financial disadvantage
- Gender
- Ethnicity

The goal of the Construction Youth Trust is to enable young people to overcome these barriers.

The Trust's key objects were reviewed during the year to ensure that they are robust and in keeping with the development of the Trust. The objects as submitted to the Charities Commission are now

- To create, support or facilitate programmes of education, learning, training or employment in the context of the construction and built environment industries
- 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, with particular reference to the skills of the construction and built environment industries
- To educate, train, assist and facilitate such individuals or groups to develop their physical and mental capacities and skills

The Trust's corporate partners and supporters play a key role in supporting its mission to provide young people with opportunities in the built environment sector.

The Trust offers a wide range of educational programmes that support young people into construction training and employment ranging from awareness raising to careers guidance and employability skills development. We also provide bursaries to those in financial need.

In the last year the Trust has also developed a range of new projects including ones that support specific disadvantaged groups.

### **Achievements and Performance**

The Construction Youth Trust has once again expanded the range of activities it is involved in during this reporting year and increased the number of beneficiaries of its work. In 2006 the Trustees agreed a strategy to diversify funding streams and develop a regionalised delivery programme. During 2007 the Trust made a significant start in setting these elements of the strategy in train. The Council recognises this key achievement and endorses the drive to develop the Trust further along these lines.

During 2007 the Trust has been successful in securing a combination of funds from Trusts and Foundations and from the statutory sector, in addition to increased support from corporate donors. This rich mix of funding sources has enabled the Trust to grow and to have a broader base of funding. New funding has enabled the Trust to develop programmes to support particular disadvantaged groups including offenders and the homeless. Through this broad range of programmes we were able to support over 2000 young people.

#### **Highlights of the year included -**

- Continuing to provide bursaries to students in financial need studying at craft and professional level
- Launching the Trust's Toolkit for Life programme funded by the Nationwide Foundation. This programme aims to support offenders to develop employability skills and support them into work placements and employment on release from prison.
- Continuing to support the Trust's alliance with the Sector Skills Council Construction Skills with a key facet of that alliance being focused on increasing the number of women and ethnic minorities entering the construction sector and supporting Programme Led Apprentices to gain work based skills.
- Undertaking an important body of work funded by the Department of Communities and Local Government that will map, inform and develop initiatives that seek to increase the skills of young people making the transition from homelessness to work in the construction industry.
- Supporting paid and unpaid work placements for school and college based students through programmes such as the London Development Agency funded Capital Xperience and the Trust's own Community Engagement programme.
- Raising awareness of the potential of the professional roles in the sector through programmes such as Budding Brunels, initially funded by the AG Manly Charitable Trust and supported by the Chartered Institute of Building and the Institution of Civil Engineers.
- Establishing mobile construction classrooms to provide young adults and school children with a taste of construction at craft and professional level. In Manchester a vehicle funded from a trust fund, managed by the Chartered Institute of Building, is in operation. In partnership with Newport Council the Trust is managing a van supporting young adults from disadvantaged parts of the city to develop construction-related skills.
- Carrying out research funded by the Wates Foundation. The Foundation is also supporting the Trust to enhance its capacity to develop more projects and establish a robust contacts database.

The hard work, commitment and professionalism of the Trust's highly motivated and growing team of staff under the leadership of our newly-appointed Trust Director, Christine Townley, continues to be central to the Trust's effectiveness. The continued financial support of our corporate and charitable donors remains critical to the achievement of our long term objects.

**Financial Review**

**Reserves**

The Trust's reserve policy is based upon a forecast of the likely levels of expenditure over the foreseeable future. The policy is subject to annual review.

**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.

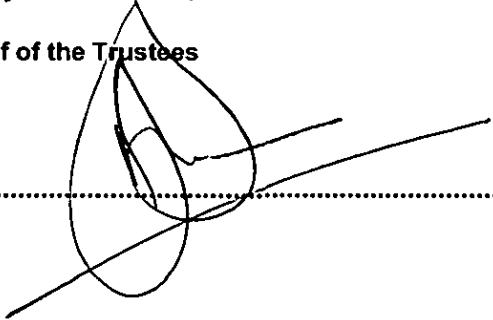
**Plans for Future Periods**

Over the next three years we aim to continue to increase diversifying our funding base and develop and consolidate our regional infrastructure including the development of a framework of regional supporters and volunteers. The Trust will also further develop its quality and effectiveness framework to ensure that it excels in everything it does.

Signed by the Chairman, Rod Bennion

Date: 4/09/ 2008

on behalf of the Trustees



A handwritten signature in black ink, consisting of a large, stylized 'R' and 'B' intertwined, with a long horizontal stroke extending to the right. The signature is positioned above a horizontal dotted line.

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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 December 2007 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 company'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 legal and regulatory requirements and International Standards of Auditing (UK and Ireland)

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 and International Standards of Auditing (UK and Ireland) 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 December 2007 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*

*11.9.2008*

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Year ended 31 December 2007**

	Notes	Unrestricted funds	Restricted Funds	Total 2007 £	Total 4 months 2006 £	Total 12 months 2006 £
<b>Incoming Resources</b>						
<b>Incoming resources from generated funds</b>	1b					
Donations and gifts		80,655	0	80,655	23,750	83,909
Fund raising events		64,709	0	64,709	24,032	50,747
Investment income		31,077	0	31,077	10,128	12,440
<b>Incoming resources from charitable activities</b>						
Project specific income received		0	790,198	790,198	198,594	462,950
Project income received for future periods		(8,229)	(313,669)	(321,898)	0	0
<b>Total Incoming Resources</b>		<u>168,212</u>	<u>476,529</u>	<u>644,741</u>	<u>256,504</u>	<u>610,046</u>
<b>Resources expended</b>						
<b>Cost of generating funds</b>						
Fund raising events cost		22,717	0	22,717	20,604	11,370
		<u>22,717</u>	<u>0</u>	<u>22,717</u>	<u>20,604</u>	<u>11,370</u>
<b>Charitable activities</b>						
Cost of activities in furtherance of the charity's objectives						
New grant commitments in 2007	3	15,103	41,766	56,869	61,499	52,822
Community based projects	3	1,981	434,763	436,744	153,691	417,610
Management and Administrative expenses	4	99,721	0	99,721	30,920	91,046
		<u>116,805</u>	<u>476,529</u>	<u>593,334</u>	<u>246,110</u>	<u>561,478</u>
<b>Total Resources Expended</b>		<u>139,522</u>	<u>476,529</u>	<u>616,051</u>	<u>266,714</u>	<u>572,848</u>
<b>Net movement in funds</b>		28,690	0	28,690	(10,210)	37,198
<b>Reconciliation of funds</b>						
Fund balances brought forward		130,384	22,677	153,061	163,271	126,073
<b>Total funds carried forward</b>		<u>£159,074</u>	<u>£22,677</u>	<u>£181,751</u>	<u>£153,061</u>	<u>£163,271</u>

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

THE CONSTRUCTION INDUSTRY TRUST FOR YOUTH LIMITED

**BALANCE SHEET**  
**AS AT 31 December 2007**

	Notes	2007 £	2006 £
<b>Current Assets</b>			
Debtors		79,654	58,903
Cash at bank and in hand	5	<u>864,124</u>	<u>442,846</u>
		943,778	501,749
<b>Creditors</b>			
Amounts falling due within one year	6	<u>(762,027)</u>	<u>(348,688)</u>
<b>Net current assets</b>		<u>181,751</u>	<u>153,061</u>
<b>Net Assets</b>		<u>£181,751</u>	<u>£153,061</u>
<b>The Funds of the charity</b>			
<b>Unrestricted Income Funds</b>	8	159,074	130,384
<b>Restricted Income funds</b>		22,677	22,677
<b>Total Funds</b>		<u>£181,751</u>	<u>£153,061</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 \_\_\_\_\_ and signed on its behalf



N J Critchlow

**Notes to the financial statements for the period ended 31 December 2007**

**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. The company has taken advantage of the exemption in Financial Standard No1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**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 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 period ended 31 December 2007

	Unrestricted Funds	Restricted Funds	Total	4 months 2006	12 mths 2006
<b>3 New grant commitments in 2007</b>					
Individual Grants	15,103	41,766	56,869	53,999	42,622
Small Project Grants	0		0	7,500	10,200
	<u>15,103</u>	<u>41,766</u>	<u>56,869</u>	<u>61,499</u>	<u>52,822</u>
<b>Community based projects</b>					
Education, training and skills	70	235,146	235,216	105,900	295,544
Project governance	430	138,093	138,523	36,834	100,597
Project office costs	492	40,012	40,504	0	0
Project PR and communications	959	0	959	0	0
Travel/Subsistence/Recruitment	30	21,512	21,542	10,957	21,469
	<u>1,981</u>	<u>434,763</u>	<u>436,744</u>	<u>153,691</u>	<u>417,610</u>
	<u>17,084</u>	<u>476,529</u>	<u>493,613</u>	<u>215,190</u>	<u>470,432</u>
<b>4 Management and Administrative expenses</b>					
Salaries	73,342		73,342	16,541	62,860
Rent & Rates & Heating	19,968		19,968	6,705	19,460
Stationery & post	4,463		4,463	1,475	3,162
Telephone	651		651	181	457
Meeting expenses	3,866		3,866	1,189	997
Insurance	805		805	0	718
Accountancy fees	11,690		11,690	3,529	9,009
Legal fees	1,528		1,528	0	0
Computer Costs	2,424		2,424	0	2,188
Bank Charges	556		556	80	266
Office	9,485		9,485	1,995	567
Office costs allocated to Projects	(34,343)		(34,343)	(8,914)	(15,311)
Public relations costs	2,944		2,944	1,946	3,603
Staff training & development	512		512	5,684	2,650
Travel	1,830		1,830	509	420
	<u>99,721</u>	<u>0</u>	<u>99,721</u>	<u>30,920</u>	<u>91,046</u>
<b>5 Cash at bank and in hand</b>			2007	2006	
C O I F deposit account Current rate (4.3%)			£	£	
Lloyds TSB current account			861,105	441,105	
			<u>3,019</u>	<u>1,741</u>	
			<u>864,124</u>	<u>442,846</u>	
			£	£	
<b>6 Creditors Amounts falling due within one year</b>					
Deferred income			321,898	0	
Grants committed			417,200	342,522	
Accruals			<u>22,929</u>	<u>6,166</u>	
			<u>762,027</u>	<u>348,688</u>	
<b>7 Analysis of net assets between funds</b>					
	General	Designated	Restricted	Total	
Current Assets	184,761	9,591	749,426	943,778	
Current Liabilities	<u>(25,687)</u>	<u>(9,591)</u>	<u>(726,749)</u>	<u>(762,027)</u>	
	<u>159,074</u>	<u>0</u>	<u>22,677</u>	<u>181,751</u>	
<b>8 Movement in Funds</b>					
	At 1 January 2007	Incoming Resources	Outgoing Resources	31 December 2007	
<b>Restricted funds</b>					
Fund	22,677	476,529	(476,529)	22,677	
<b>Unrestricted funds:</b>					
General funds	<u>130,384</u>	<u>168,212</u>	<u>(139,522)</u>	<u>159,074</u>	
	<u>153,061</u>	<u>644,741</u>	<u>(616,051)</u>	<u>181,751</u>	