

# REGISTRAR OF COMPANIES

## The Construction Industry Council

### Annual Report and Financial Statements

31 December 2007

THURSDAY



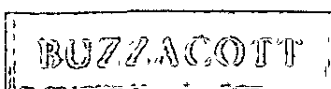
\*A5Y1J10M\*

A10

24/07/2008

223

COMPANIES HOUSE



Company Registration Number  
2388396 (England and Wales)

<b>Directors</b>	C Brown K Clarke J Hellings M A Lees N Ogunshakin G Owens N Raynsford MP G C Watts M Wyatt
<b>Company Secretary</b>	G C Watts
<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>	2388396 (England and Wales)
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG

## Contents

### Reports

Directors' report	1
Independent auditors' report	4

### Financial statements

Profit and loss account	6
Balance sheet	7
Principal accounting policies	8
Notes to the financial statements	9

These pages do not form part of the  
statutory financial statements

Detailed trading and profit and loss account	11
Schedule of administrative expenses	12

## **Directors' report** 31 December 2007

The directors present their report together with the financial statements of the company for the year ended 31 December 2007

The CIC is governed by a Council which meets 3 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 up to 24 formally elected representatives from each of CIC's five electoral colleges, plus a number of elected Honorary Officers. These include the Chairman, Deputy Chairman and Treasurer. In addition Council may co-opt up to 5 Representatives which may attend Council meetings but have no voting rights. Chairmen of CIC's Standing Committees may attend Council but also have no voting rights.

### **Members of the Council**

The following are members of the Council

Association of Building Engineers  
Association of Consultant Architects  
Association of Consultancy and Engineering  
Association of Project Safety  
Association of Project Management  
British Institute of Facilities Management  
Building Research Establishment  
Building Services Research and Information Association  
Centre for Education in the Built Environment  
Chartered Institute of Building  
Chartered Institute of Architectural Technologists  
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  
Institute of Maintenance and Building Management  
Institute of Plumbing and Heating Engineering  
Institution of Civil Engineering Surveyors  
Institution of Civil Engineers  
Institution of Highways and Transportation  
Institution of Structural Engineers  
Local Authority Building Control  
Landscape Institute  
National House-Building Council  
Royal Institute of British Architects  
Royal Institution of Chartered Surveyors  
Royal Town Planning Institute  
Steel Construction Institute  
The Survey Association

## **Directors' report** 31 December 2007

### **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 accounts 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>
C Brown	Appointed on 13 June 2007
K Clarke	Appointed on 13 June 2008
A Eastwell	Resigned on 13 June 2007
J Hellings	
S Henderson	Resigned on 13 June 2007
M A Lees	
D Marshall	Resigned on 13 June 2007
N Ogunshakin	
G Owens	
N Raynsford MP	
G C Watts	
M Wyatt	Appointed on 13 June 2007

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

### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period 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,

## **Directors' report** 31 December 2007

### **Directors' responsibilities** (continued)

- ♦ follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements,
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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 steps that he/she ought to have taken as a director in order to make himself/herself 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 234ZA of the Companies Act 1985.

### **Auditors**

The auditors, Buzzacott LLP, will be proposed for appointment in accordance with Section 385 of the Companies Act 1985.

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

Signed on behalf of the directors



Approved by the board on

22 May 2008

## **Independent auditors' report** 31 December 2007

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

We have audited the financial statements on pages 6 to 10 which have been prepared under the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007) and the accounting policies set out on page 8

This report is made solely to the company's shareholder 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 it in an auditors' 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 for our audit work, for this report, or for the opinions we have formed.

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

As described on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Acceptable Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on 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 directors' report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' 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 United Kingdom 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.

**Independent auditors' report** 31 December 2007

**Opinion**

In our opinion

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its profit for the year ended,
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ◆ the information given in the directors' report is consistent with the financial statements

*Buzzacott LLP*

Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

*16 July 2008*



## Profit and loss account Year to 31 December 2007

	Notes	2007 £	2006 £
<b>Turnover</b>	1	<b>1,389,125</b>	1,275,537
Less Cost of sales		<b>(573,955)</b>	(607,219)
<b>Gross profit</b>		<b>815,170</b>	668,318
<b>Administrative expenses</b>		<b>(801,755)</b>	(712,723)
<b>Operating profit/(loss)</b>		<b>13,415</b>	(44,405)
Other interest receivable and similar income		<b>554</b>	361
Interest payable and similar charges		<b>(6)</b>	(312)
<b>Profit/(loss) for the financial year before taxation</b>	2	<b>13,963</b>	(44,356)
<b>Taxation</b>	3	<b>—</b>	—
<b>Profit/(loss) for the financial year</b>		<b>13,963</b>	(44,356)
<b>Prior year adjustment (see below)</b>		<b>—</b>	(12,233)
<b>Total gains and losses</b> recognised since last financial statements		<b>13,963</b>	(56,589)
<b>Accumulated losses at 1 January 2007</b>		<b>(50,132)</b>	(5,776)
<b>Accumulated losses at 31 December 2007</b>		<b>(36,169)</b>	(50,132)

The prior year adjustment in the 2006 financial statements related to VAT which was previously shown as recoverable but which was subsequently accepted as irrecoverable

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 2007

	Notes	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	4		3,900		2,889
<b>Current assets</b>					
Stocks		17,202		24,488	
Debtors	5	351,304		360,701	
Cash at bank and in hand		310		1,386	
		<u>368,816</u>		<u>386,575</u>	
<b>Creditors</b> amounts falling due within one year	6	<u>(408,885)</u>		<u>(439,596)</u>	
<b>Net current liabilities</b>			<u>(40,069)</u>		<u>(53,021)</u>
<b>Net liabilities</b>			<u>(36,169)</u>		<u>(50,132)</u>
<b>Capital reserves</b>					
Profit and loss account			<u>(36,169)</u>		<u>(50,132)</u>
<b>Members' funds</b>	7		<u>(36,169)</u>		<u>(50,132)</u>

The 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 8 to 11 form part of these financial statements

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



Approved on

22 May 2008

## **Principal accounting policies** 31 December 2007

### **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 January 2007)

### **Going concern**

The accounts 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

### **Cash flow statement**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'

### **Turnover**

Turnover represents income generated by the company from membership fees receivable, sales of videos, cassettes 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**

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 on cost

### **Stocks**

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

## Notes to the financial statements 31 December 2007

### 1 Turnover

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

	2007 £	2006 £
United Kingdom	1,389,125	1,275,537

### 2 Profit (loss) for the financial year

	2007 £	2006 £
This is stated after charging		
Directors' emoluments	178,706	160,638
Operating lease rentals	102,087	91,527
Depreciation	2,623	3,354
Auditors' remuneration	7,500	6,000

### 3 Taxation

During the year ended 31 December 2007, the company has accumulated trading losses, and no tax is payable for this period (2006 – nil)

### 4 Tangible fixed assets

	Computer equipment £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2007	60,616	13,732	74,348
Additions	2,854	780	3,634
At 31 December 2007	63,470	14,512	77,982
<b>Depreciation</b>			
At 1 January 2007	57,727	13,732	71,459
Charge for the year	2,506	117	2,623
At 31 December 2007	60,233	13,849	74,082
<b>Net book values</b>			
At 31 December 2007	3,237	663	3,900
At 31 December 2006	2,889	—	2,889

## Notes to the financial statements 31 December 2007

### 5 Debtors

	2007 £	2006 £
Trade debtors	301,232	323,043
Other debtors	50,072	37,658
	<b>351,304</b>	<b>360,701</b>

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

	2007 £	2006 £
Bank loans and overdrafts	889	41,230
Trade creditors	150,825	104,414
Taxation and social security	19,590	27,811
Accruals	40,413	61,141
Deferred income	197,168	205,000
	<b>408,885</b>	<b>439,596</b>

### 7 Reconciliation of members' funds

	2007 £	2006 £
<b>Equity funds</b>		
Opening members' funds at 1 January	(50,132)	(5,776)
Profit for the financial year	13,415	(44,356)
Closing members' funds at 31 December	<b>(36,169)</b>	<b>(50,132)</b>

### 8 Related parties

The Construction Industry Council received £393,161 (2006 £389,800) 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 £265 (2006 - £350) to Construction Umbrella Bodies (Holdings) Ltd, a company of which G C Watts is a director. The balance due from Construction Umbrella Bodies (Holdings) Ltd at 31 December 2007 was £265 (2006 - £350).

### 9 Lease commitments

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

	2007 £	2006 £
Within one year	8,087	8,087
Between two and five years	99,320	94,000
	<b>107,407</b>	<b>102,087</b>

## Detailed trading and profit and loss account Year ended 31 December 2007

This page does not form part of the statutory financial statements

	2007 £	2007 £	2006 £	2006 £
<b>Turnover</b>				
Membership subscriptions		401,981		389,800
Regional membership subscriptions		75,683		55,661
Sale of publications		19,098		16,319
Project income		789,508		782,277
Registration income		50,084		20,711
Miscellaneous income and recharges		52,471		10,769
		<u>1,389,125</u>		<u>1,275,537</u>
<b>Cost of sales</b>				
Cost of publications and expenses	123,613		77,501	
Project expenses	<u>450,342</u>		<u>529,718</u>	
		<u>(573,955)</u>		<u>(607,219)</u>
<b>Gross profit</b>		<u>815,170</u>		<u>668,318</u>
<b>Administrative expenses (page 12)</b>		<u>(801,755)</u>		<u>(712,723)</u>
<b>Operating profit/(loss)</b>		13,415		(44,405)
<b>Other interest receivable and similar income</b>				
Bank interest received		554		361
<b>Interest payable</b>				
Hire purchase interest payable		<u>(6)</u>		<u>(312)</u>
<b>Profit/(loss) before taxation</b>		<u>13,963</u>		<u>(44,356)</u>

**Schedule of administrative expenses** Year ended 31 December 2007

This page does not form part of the statutory accounts

	2007 £	2006 £
<b>Administrative expenses</b>		
Wages and salaries	344,824	277,252
Directors' remuneration	178,706	160,638
Staff benefits and training	5,092	2,993
Staff recruitment costs	3,600	—
Honorary expenses	798	5,245
Rent	94,000	83,440
Insurance	4,467	6,204
Repairs and maintenance	11,929	4,892
Postage and carriage	2,810	2,577
Stationery	5,564	4,316
Printing	9,406	4,373
Office equipment	2,658	3,204
Room hire and meeting costs	4,222	3,310
Telephone and fax	10,887	7,852
Hire of equipment	8,087	8,087
Travel and subsistence	11,192	11,377
Entertaining	11,089	12,317
Legal and professional fees	5,830	1,776
Consultancy fees	29,905	26,398
Audit and accountancy	7,500	9,225
Bank charges	4,708	4,492
Bad and doubtful debts	—	6,096
Sundry expenses	7,116	7,713
Subscriptions and publications	1,381	2,147
Irrecoverable VAT	32,630	53,445
Depreciation on computer equipment	2,506	3,290
Depreciation on FF & E	117	64
Marketing and advertising	679	—
Corporation tax	52	—
	<b>801,755</b>	<b>712,723</b>