



**The Chartered Institution of
Highways & Transportation
Report and financial statements
For the year ended 31 December 2019**

Registered by Royal Charter: RC000835

Registered Charity: England (1136896), Scotland (SC040873) and the Republic of Ireland (20103989)



REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019
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Executive Foreword – CIHTs response to COVID-19 outbreak (Status as at 7 May 2020)

From 19 March, CIHT moved to a virtual operation in response to the Government's call for greater social distancing. All staff are currently working remotely from home.

Over recent weeks we have been working hard on not only the immediate actions we need to take to safeguard the health and safety of our staff, members and volunteers but on the medium and longer term consequences of COVID-19 to our organisation and services.

The underlying principles we are working to are as follows: -

- Look after and minimise the impact on staff
- Communicate clearly and regularly with members and stakeholders
- Minimise the disruption to member services
- Provide alternative arrangements to face to face meetings wherever possible
- Develop/roll out new ways of working and delivering services
- Produce more content for members via the website
- Plan so that CIHT can continue with its business and services successfully
- Model different financial scenarios over the coming months and plan and adjust accordingly to safeguard the long-term health and financial sustainability of the organisation
- Continue to develop initiatives that position CIHT strongly for its future growth

In the first instance, all face to face meetings, events and travel have been suspended until end of May. Unfortunately, it looks like this may need to be extended further. We are also increasing our online offer for our members and are expanding use of webinars, podcasts and video content. We have revamped our resources page where we have created exclusive member only content that includes an increased selection of technical articles, downloadable technical publications, an updated CIHT Options website and accessible conference presentations and videos.

In responding to the outbreak, the investment in the new CIHT integrated website and database system (ProConnect) which went live in 2018 has proved to be a critical factor. What has particularly become obvious in recent weeks is our ability to react quickly to the current lockdown situation. It is highly unlikely that we would have been able to continue to offer our members and regions & nations the same support under the previous systems, yet we are now able to do so in a secure and efficient manner.

Overall financial context

As per the commentary in the 2019 Trustee report which follows, the Institution had a strong financial year in 2019, has a relatively healthy reserves position and maintains a strong balance sheet - we have no outstanding loans since we cleared our mortgage payments on Britannia Walk last year.

At the BoT meeting held on 1st April, Trustees reflected on the outcome of a comprehensive year end 2020 reforecasting exercise based on three scenarios.

Scenario one -This assumes that we are in lock down until the end of June and then things start to get back to normal including face to face events

Scenario two -This assumes we are in lock down until the end of August and then things start to return to normal including face to face events

Scenario three -This assumes we are in lock down until the end of the year and then things pick up in 2021.



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TRUSTEES' REPORT – EXECUTIVE FOREWORD

In all three scenarios, Trustees considered the core activity assumptions being made relating to membership retention & growth, delivery of events, sponsorship, staffing and other key factors related to income and expenditure in 2020.

Having reviewed the three budget scenarios for 2020, Trustees believe the Institution remains well placed to withstand the downturn in our income with sensible planning and appropriately bearing down on costs.

Conclusions

These are exceptional times and there continues to be great uncertainty about the ongoing impacts of Covid-19 and how this will affect CIHT operations and our financial position. Trustees will continue to monitor the position in the light of changing circumstances. We hope there will be a short-term resolution to the outbreak, but this is not a given. It is also expected that reacting to COVID-19 will change the way we and wider economy and society works now and in the future with consequential impacts beyond 2020.

Given current information from Government and the NHS, it appears likely we will be majorly affected by reduced travel and social contact until the end of the summer and scenario two is the most likely one.

If scenario three does become the reality, we remain confident that CIHT could manage and continue as a going concern although additional decisions would be needed as we revisit our cost base.

Trustees Report for year ended 31st December 2020

The Institution is a Registered Charity in England and Wales (1136896), a Registered Charity in Scotland (SCO40873) and incorporated by Royal Charter. In June 2017, the Institution was also approved as a registered charitable body in the Republic of Ireland (20103989). The CIHT executive staff team operate from a central office located at Britannia Walk near Old Street in London.

The Board of Trustees of the Chartered Institution of Highways & Transportation (CIHT) presents its Annual Report and Financial Statements for the year ended 31 December 2019.

Objectives and Activities

The Chartered Institution of Highways & Transportation was formed on 1 January 2010 following the Grant of a Royal Charter by the Privy Council. (The former Institution of Highways & Transportation was a registered charity and a company limited by guarantee founded in 1930 as the Institution of Highway Engineers). The objects of the Institution are to advance for the public benefit the science and art associated with Highways and Transportation in all their aspects; and to promote education, training, and research and development of the said science and art.

The charitable powers of the Chartered Institution are set out in its Royal Charter and Byelaws dated 30 October 2009. The Institution aims to achieve its objectives by promoting good practice amongst its members, through programmes of meetings, conferences, seminars and publications, providing routes to Chartered and Incorporated Engineer, Engineering Technician, the SoRSA Certificate of Competency and Transport Planning Professional; and providing a forum for consultation on all matters affecting Highways and Transportation. The Institution promotes debate in all areas affecting the discipline of Highways and Transportation, promoting economy, efficiency, excellence and cooperation.

The strategic priorities for 2016 - 2021 are:

1. Promoting professionalism and encouraging learning
2. Influencing the future
3. Developing our membership by providing services that benefit our members and society

The Institution's main activities in support of these objectives were:

- The provision of routes to Chartered and Incorporated Engineer, Engineering Technician, the SoRSA Certificate of Competency and the Transport Planning Professional qualification
- Fostering research and debate on a long-term vision for transport infrastructure through knowledge generation and future thinking.
- The publication of guidance, and a magazine, Transportation Professional
- The provision and monitoring of Continuing Professional Development
- Programmes of events organised by the regions and by Britannia Walk
- The provision of advice and support to governments at central, devolved, regional and local levels
- The promotion of the educational value of membership to students, employers and professionals
- Upholding professional standards and ethics

In working towards its objectives, the Institution could not have achieved all it has done without the unstinting efforts of members who give their time and attention to the work of the Institution. In this respect, the work of the regions and devolved nations in the UK and the national groups in the Republic of Ireland, Hong Kong, Malaysia, Dubai and Qatar is of particular note. In addition, many members contributed by serving on the Council, Strategic Boards (Committees) and Panels of the Institution. The Trustees are grateful to the volunteers and also their employers for allowing their staff to undertake this work in the interests of the profession.

Delivering public benefit

All of our charitable activities are to advance for the public benefit the science and art associated with highways and transportation in all their aspects; and to promote education, training, and research and development of the said science and art. Success for the Institution is defined in terms of developing the knowledge, skills and effectiveness of members of the Highways and Transportation profession, and in influencing the development of policy and best practice in the field. Performance is measured in terms of increasing numbers availing themselves of existing provision, and the development of new ways of working to support these aims. In addition, the Institution continues to provide advice and guidance to the industry in accordance with its objects.

Membership of CIHT is open to applicants who meet the relevant professional criteria. Lower rates are charged for retired members, graduates and associate members whilst special concessions are offered in cases of personal change of circumstance, hardship or unemployment. Full time students are offered membership free of charge.

Regional and national technical events and seminars (some of which are free of charge) are open to non-members to attend. The work of the Institution at a UK level is focused on developing, promoting and disseminating good practice and excellence in areas such as Road Safety / Sustainable Transport / Technology for the public good. It continues to contribute to skills development by its work on offering routes to professional qualifications and by developing our approach to continuous learning and embedding this as an essential requirement for a skilled and effective workforce. Its achievements and performance set out below provide a more detailed account of CIHT's contribution to the industry as a whole in pursuit of its charitable objectives.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Membership, achievements and performance

CIHT's total membership stood at 14,237 on 31 December 2019. Key achievements and performance are reported below under the three strategic priorities set out in the CIHT Corporate plan 2016-21.

1) Promoting professionalism and encouraging learning

Skills

Skills development is a key theme for CIHT, and the Institution continues to take an active role looking at how to ensure that current and future skills needs in the sector are met.

Over 150 CIHT Ambassadors have signed up to use the Institution's interactive careers toolkit. The toolkit is for Ambassadors to use when visiting UK schools, colleges, universities and careers fairs to encourage more young people to consider a career in highways and transportation. This year has seen us launch our new suite of career guidance materials and our approved training provider scheme.

Apprenticeships offer an excellent opportunity for the industry to attract more people into the workforce. CIHT has been involved in the development and delivery of the Transport Planning Technician trailblazer apprenticeship and is actively supporting other employer consortiums seeking to develop apprenticeship programmes. We have a growing number of Apprentice Members and support them on the first rung of their professional ladder through appropriate qualifications and are involving them and graduates in the governance of our organisation.

Qualifications

CIHT supports a full range of professional qualifications for people at all stages of their career. Members can apply for EngTech, IEng and CEng, the SoRSA Certificate of Competency in Road Safety Audit, endorsed by Highways England, and the Transport Planning Professional qualification run in partnership with the Transport Planning Society.

Our growing presence in the Transport Planning sector led to the Privy Council supporting our application to award the Chartered Transport Planning Professional title to eligible professionals this year.

2019 saw an increase of 33% in Initial Assessments and a 53% increase in Professional Review applications. 125 of the 145 professional review candidates were successful: 64 candidates gained CEng, 25 gained IEng, 17 gained EngTech and 19 achieved the Transport Planning Professional Qualification and the new CTPP designation

In addition, more qualified members took advantage of CIHT's agreement with the Chartered Management Institute which provides a fast-track route to Chartered Manager (CMgr) status.

During 2019, we conducted work to develop a new Professional Development Framework which we anticipate will be launched in 2020. The Framework is designed to support members' professional development, enabling them to record their Highways and Transportation knowledge and experience against professional standards and work towards registration as qualified engineers or transport planners.

2) Influencing the future

Raising the profile

CIHT actively promotes the status of the highways and transportation profession and those who work in this industry. Through proactively engaging with politicians, media and other key stakeholders, CIHT highlights its vision of 'World-Class Transportation Infrastructure and Services'.

CIHT has continued to raise its profile through expanding its communication activities. In looking to highlight the variety of initiatives that the Institution is involved in, CIHT has been appearing and commenting in a wide range of media including broadcast, online and print. Recent communication activity has seen comments on local highways, a national transport strategy for Scotland, Brexit, network resilience, HS2, infrastructure funding, diversity and inclusion and skills provision for the industry.

CIHT responded to 9 consultation documents from governments across the UK. We have been recognised for our policy and practice by working with the Cabinet Office and the Department for Transport in revising Manual for Streets and the Transport Select Committee for our review of local highways. The Institution maintained its close links with other key stakeholders on a variety of issues and issued media/policy briefings on topics such as Climate Change, a Connected and Autonomous Roadmap and improving the Integration between Planning and Transport.

CIHT continued to promote its Diversity and Inclusion toolkit and Charter, that now has over 60 signatories. The toolkit is available online. Companies are being encouraged to sign up to this charter to help industry recruit, retain and develop a diverse workforce.

Liaison with other institutions and bodies

In the last year, the Institution has been involved in a number of high-profile meetings and roundtables with decision makers in Westminster and the devolved nations.

CIHT were invited by the Department for International Trade to take part in an International Trade mission to Hong Kong and China to promote Chartered bodies, professional qualifications, institutions and to raise awareness of CIHT. The Institution provided a strong UK presence at the 2019 World Road Congress in Abu Dhabi where we profiled UK Skills and the important role played by our highways and transportation professionals. CIHT has continued to maintain its level of engagement with politicians/key stakeholders on several key areas and collaborated with a range of other institutions including the RTPI and TPS on addressing various issues.

Transportation Professional

Transportation Professional is sent out 10 times a year. Recent features have been on Education, Climate Change, Innovation, Road Construction and Maintenance and technical articles on a range of topics including Sustainable Transport, Better Planning, and Network resilience. Transportation Professional magazine is available digitally in the 'My CIHT' section of the Institution's website.

Transportation Professional Weekly News is sent out to members' registered email addresses. In the last year, over 400 news items were released to keep members up to date on industry activity.

3) Developing our membership by providing services

Membership growth and retention are a key strategic priority for CIHT.

There have been various activities designed to demonstrate the value of CIHT membership. As well as encouraging more people to join the Institution, members became more engaged through highlighting their stories, and career achievements.

Building upon the investment in a new integrated CRM and website that went live in 2018, CIHT have been able to offer additional exclusive member resources through the website which have included:

- An increased selection of technical articles
- Downloadable technical publications
- Accessible conference presentations and videos
- And an updated CIHT Options website

Future plans to improve member services include enhanced professional development opportunities through the website. For more information visit www.ciht.org.uk/myciht



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TRUSTEES' REPORT

CIHT Foundation

The CIHT Foundation continues to make charitable collections at a number of events including the Annual Luncheon. The Foundation's focus is on educational or innovative proposals that advance the art and science of highways and transportation. During this period, grants were awarded to Anglia Ruskin University for a small research project, and several other universities to fund highways and transportation prizes, as well as a number of engineering scholarships through the Arkwright Trust.

Regions and Nations

The work of CIHT's volunteers in the regions and nations is essential in providing local events and opportunities to interact with like-minded professionals.

In 2019, CIHT's regions and nations ran over 200 events and functions for the membership and the wider highways and transportation industry, including technical seminars, site visits, regional conferences and social gatherings. The regions and nations also provide local mentor support for members seeking to become professionally qualified.

We value and encourage our next generation of members and have a vibrant and impressive network of emerging professionals who are active and influential within CIHT. This year our 2nd Annual Young Professional conference held in Manchester attracted over 200 delegates, with great speakers and contributions around the Future of Transport.

Events

Britannia Walk organised seminars that covered themes such as 'Health and Wellbeing, Collaboration, Smart Cities and Transport Resilience'.

Over 200 delegates attended the Institution's Annual Conference in March 2019 and focussed on 'Transport: Improving our Productivity'. The Conference was a major success with speakers from Transport for the North, Highways England, Amey, Transport Scotland and Kier. The Annual Conference promotes and highlights the important work going on in the sector to a wider audience.

The annual CIHT Awards Dinner took place with almost 500 guests in June 2019 at the De Vere Grand Connaught Rooms, London. The Awards Dinner is a culmination of a competition based across 16 separate categories which, in 2019, received over 150 entries. The CIHT Awards recognise the outstanding achievements of those working in the sector and promote their work as best practice to the industry.

In December, the CIHT Annual Luncheon took place at the Grosvenor House Hotel, London. Over 1,700 guests gathered for a spectacular networking and social event that celebrated the work of the highways and transportation sector.

Space@119

CIHT's central office Space@119 is a popular venue for members to hold meetings or to use the members' lounge. The facilities are also used for CIHT conferences, seminars and meetings in-house and have received use from external clients with over 130 bookings during the year.

Future plans

In September 2016, CIHT launched its Strategic Plan for 2016-2021, setting out its strategic priorities for the following five years. This has seen the Institution focusing on the following areas:

- Provide routes to membership which offer access to highways and transportation professionals at all stages of their careers
- Provide and promote the value of professional qualifications to individuals and employers
- Develop its approach to continuous learning and embed this as an essential requirement for a skilled and effective workforce
- Provide mentoring and professional development for members at all stages of their careers
- Deliver high quality services and support to members and the regions including a range of events, seminars and networking opportunities
- Achieve sustainable growth across all grades and diversify its membership profile
- Shape a long-term vision for the profession to attract, develop and retain talent
- Promote the status of transportation professionals and the importance of the profession to the economy, environment and society
- Contribute to transport policy across the UK and internationally
- Foster research and debate on a long-term vision for the sector through knowledge generation and futures thinking
- Identify and disseminate good practice through knowledge exchange
- Increase CIHT presence and profile through media

At an operational level, the Institution will continue to develop its business processes and systems to improve delivery of cost-effective services to members, enhance organisational efficiency, sustainably grow its income base and build its human capital – both staff and volunteers.

The Strategic Plan 2016-2021 has been underpinned by a corporate business plan and financial strategy that signals clear performance targets and measurable outcomes. We will be initiating work on developing the new five year strategic plan reflecting on our performance and resetting our strategic objectives to reflect changes in the external operating environment.

Structure, governance and management

The Institution is a Registered Charity in England and Wales (1136896), a Registered Charity in Scotland (SCO40873) and incorporated by Royal Charter. In June 2017, the Institution was also approved as a registered charitable body in the Republic of Ireland (20103989). With the grant of Royal Charter by HM the Queen at the end of 2009 the Royal Charter and Byelaws became CIHT's governing documents. CIHT's members (individually and via the regions) elect the Council of the Institution, and the Council in turn appoints the Board of Trustees. The Board of Trustees is responsible for directing the affairs of the charity and ensuring it is solvent, well run and delivering the charitable outcomes for which it has been set up. It is the policy of the Institution to give a full briefing and guidance to new Trustees on their duties and responsibilities, and to ensure that they have a strong understanding of the issues and risks facing the Institution in achieving its objectives. All Trustees are given induction training each year and access to other training on an ongoing basis. The Board of Trustees has four strategic Boards reporting to it.

Those four Boards are:

- The Appian Trading Board
- The External Affairs and Communications Strategy Board
- The Membership and Skills Strategy Board
- The Learned Society and Technical Strategy Board

The Audit Committee reviews the financial accounts in detail on behalf of the Trustees.

All profits of the trading subsidiary, Appian Trading Limited, are transferred to the charity through Gift Aid to ensure that funds for the Institution's activities are used efficiently.

Good Governance Guide

Since the Charity Governance Code was launched on 13 July 2017, CIHT has utilised the Code as a framework to support development of better practice. Trustees acknowledge that the charity is best placed to fulfil its vision, mission and strategic goals if it has effective governance in place. To date, the charity's Board has established a solid foundation in governance in which all of its members are clear about their legal responsibilities as trustees.

CIHT has also commenced a review of current governance arrangements which will be reported upon in 2020. In undertaking the review, we are taking into account recommended practice in line with the seven principles set out in the Charity Governance Code.

CIHT already has a number of the Code's measures in place. These include:

- Trustees review CIHT's charitable purpose and reflect on changes to the external environment at annual planning days and when we conduct business planning
- The impact of CIHT's activities against KPIs are reported at each Board meeting
- Development of a 5 year strategic plan based on CIHT's agreed values with three strategic aims which are subject to annual review in terms of evaluating our performance and progress in terms of delivery.
- Declarations of interest are collected annually
- Conflicts of interest are a standard item on the agenda for all Board meetings
- There is an agreed scheme of delegated authority recorded in CIHT's Standing Orders and Financial Regulations;
- An annual skills audit for all Trustees is used to identify requirements for Board development and inform the process of new appointments to the Board.

Trustee remuneration and pay policy for senior staff

The key management personnel of the charity comprise the non-executive Board of Trustees and the Senior Management team. The Board of Trustees has ultimate responsibility for directing the affairs of the charity and ensuring it is solvent, well run and delivering the charitable outcomes for which it has been set up. Day to day operational management of activities is delegated to senior management of the charity.

The Board of Trustees comprises a group of 12 elected members drawn from the CIHT Council. They do not receive any remuneration for volunteering their time and expertise. Details of Trustees' expenses and related party transactions are disclosed in Note 4 and Note 19 respectively.

A Staff and Remuneration Panel has delegated authority from the Trustees to set pay and benefit levels for all staff members including the CEO and Directors. The Panel comprise the President, Vice Presidents, Immediate Past President and Hon. Treasurer, and is advised by the CEO.

Staff pay is reviewed annually taking into account national salary data information from ONS, current inflation rates, London average fare increases, the economic situation in the industry which the Institution serves, and the current finances of the Institution. Every four years the Institution benchmarks against pay levels in other charities of a similar size.

Investment funds

During 2019, surplus funds were invested in two investment holdings:

- Henderson UK Index Tracker Fund
- CCLA Charities Investment Fund (i.e. a managed fund which invests in diversified portfolio of investments classes)

On 2 October 2019, CIHT sold the entirety of its investment holdings with Henderson and reinvested the full sale proceeds into the CCLA Ethical Investment Fund. This action was prompted by a Trustee decision to switch funds which was taken at the BoT meeting held in September 2019.

The objective of our investment holdings is to maximise returns within reasonable and prudent levels of risk as set out in more detail in CIHT's Investment Policy. At the end of 2019, the value of our investment holding over the year increased by 20.1% reflecting an annual gain of £186,819 (In 2018: value decreased by £12,447 reflecting an annual loss of 1.3%)

Reserves policy

CIHT maintains reserves to enable the Institution to fulfil its objectives and to implement the Corporate Plan as well as ensuring provision of liquid resources representing four months' operating expenditure estimated as £990k based on the 2020 budget. In addition, contingencies may arise due to the long-term nature of the Institution's activities which may need funding out of reserves in the event of unforeseen circumstances.

As at 31 December 2019 free reserves (which includes designated funds and is defined as Current Assets plus Investments less Current Liabilities and less Restricted Funds) stood at £1,675,926 (2018: £1,451,666). Excluding designated funds (set aside for specific purposes and outlined in Note 15 of the financial statements), net free reserves totalled £1,428,608 (2018: £1,090,990).

Use of voluntary assistance

The Institution relies upon the support of many members contributing their own time in the operation of its activities both within the nations, regions and groups and at Britannia Walk. It is not possible to quantify in financial terms the benefits derived, but all such voluntary assistance is gratefully acknowledged. As indicated below, the ongoing engagement of volunteers is perceived as a high risk faced by the Institution.

Fundraising

At two of our larger annual events (i.e. the Annual Awards and Annual Luncheon) and occasionally at Regional dinners, attendees are invited to make charitable donations to the CIHT Foundation. This has been set up to provide grant assistance for projects, research or other activity that fits with our charitable objects. The CIHT foundation is accounted for as a restricted fund and its operation overseen by the Board of Trustees who receive an annual report detailing funds that have been collected by the fund through charitable donations and how these funds have been deployed in line with the stated aims of the CIHT Foundation. In 2019, the total funds collected from charitable donations amounted to circa £19k.

Fund raising is not a material source of raising income for the Institution and we do not engage in use of third parties. There has been no non-compliance with the code and no-concerns or complaints received.

Statement on Risk Assessment

In accordance with the SORP, the Trustees have undertaken an assessment of the major risks to which the Institution is exposed. Systems and actions have been put in place to manage and minimise the possibility of loss or damage identified by this assessment. The Risk Register is reviewed in full annually and high risks at more frequent intervals by the Trustees and in detail by the Audit Committee.

Engaging volunteers was one of three high risk areas emerging from the last comprehensive review of the Risk Register. We have taken a number of actions to mitigate this risk including an increase in number of Regional Engagement Officers available to support volunteers and the extended use of our new IT platforms to more effectively support regional operations including the management of events and finances.

A second high risk area was prompted by a higher than anticipated rate of staff turnover. Throughout the year we have taken a number of actions to better comprehend, mitigate potential impacts and generally respond to the position. Exit surveys conducted with staff leavers and feedback provided in our anonymised annual staff survey do not indicate any single specific factors. We have also conducted a comprehensive pay and benefits benchmarking exercise using an independent rewards consultancy. Recommended actions based on this research have been shared with the Pay & Remuneration panel and are scheduled to be followed up in the new year.

The third area identified as high risk relates to our dependency on income sources – we have sought to address this by development of an income diversification strategy – this is being overseen by the Appian Board. Our aim is to identify and support activities that might generate a stream of revenue for the Institution to avoid any undue reliance on individual members subscriptions. The strategy underpins our medium-term finance plan.

Statement of Trustees' responsibilities

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

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter and Byelaws, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 Trustees



Martin Tugwell
President of CIHT and Chair of the Board of Trustees

Date: 13 May 2020



REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019
REFERENCE AND ADMINISTRATIVE DETAILS

Name and Registered Office of the Institution

The Chartered Institution of Highways & Transportation
119 Britannia Walk
London
N1 7JE

Charity Registration in England and Wales No: 1136896

Charity Registration in Scotland No: SCO40873

Charity Registration in Republic of Ireland No: 20103989

Members of the Board of Trustees 2019

The members of the Board of Trustees, who were Trustees of the charity until 20 June 2019, are shown below

M Lugg (President)
M Tugwell (Senior Vice President)
D Sims (Vice President)
P Brown (Hon Treasurer)
L Basford
G Clarke
N Johnstone
K Lynch
G Lyons
A Markides
J Pert
A Warrington

The members of the Board of Trustees, who were Trustees of the charity from 20 June 2019, are shown below

M Tugwell (President)
D Sims (Senior Vice President)
N Johnstone (Vice President)
S Sharland (Hon Treasurer)
M Lugg
L Basford
G Clarke
G Lyons
P Molyneux
D Sprunt
M Solanki
N Blaney

Chief Executive and Secretary

Sue Percy

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL



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REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Withers
Old Bailey
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EC4M 7EG

Bankers

Royal Bank of Scotland PLC
24 Grosvenor Place
London
SW1X 7HP

Investment Managers

Henderson Global Investors
PO Box 9023
Chelmsford
CM99 2WB

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Opinion

We have audited the financial statements of The Chartered Institution of Highways and Transportation (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION (CONTINUED)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date:

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account
& Statement of Total Recognised Gains and Losses)
For the year ended 31 December 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income					
Donations and legacies		-	18,622	18,622	18,781
Income from Charitable activities:					
Member activities	2	2,137,562	24,687	2,162,249	1,995,184
Education income		112,698	9,500	122,198	70,909
Publication sales		65,364	-	65,364	86,576
National Conference		9,985	-	9,985	39,107
		<u>2,325,609</u>	<u>34,187</u>	<u>2,359,796</u>	<u>2,191,776</u>
Other trading activities:					
Appian Trading		498,753	-	498,753	456,479
Investment income receivable		2,927	-	2,927	1,464
Total income		<u>2,827,289</u>	<u>52,809</u>	<u>2,880,098</u>	<u>2,668,500</u>
Expenditure					
Expenditure on Charitable activities:					
Membership		1,489,797	26,002	1,515,799	1,322,907
Education		403,825	7,250	411,075	312,784
Publications		498,871	-	498,871	500,884
National Conference		18,360	-	18,360	19,055
Motorway Archive Trust		646	239	885	1,509
		<u>2,411,499</u>	<u>33,491</u>	<u>2,444,990</u>	<u>2,157,139</u>
Expenditure on raising funds:					
Trading & collecting subscriptions		447,689	-	447,689	458,623
Total expenditure	3	<u>2,859,188</u>	<u>33,491</u>	<u>2,892,679</u>	<u>2,615,762</u>
Net income / (expenditure) before gains on investments		<u>(31,899)</u>	<u>19,318</u>	<u>(12,581)</u>	<u>52,738</u>
Net gains/ (losses) on investments	9	<u>186,819</u>	<u>-</u>	<u>186,819</u>	<u>(12,447)</u>
Net income / Net movement in funds		<u>154,920</u>	<u>19,318</u>	<u>174,238</u>	<u>40,291</u>
Net movement in funds		<u>154,920</u>	<u>19,318</u>	<u>174,238</u>	<u>40,291</u>
Reconciliation of funds					
Total funds brought forward		4,119,864	95,263	4,215,127	4,174,836
Total funds carried forward	14	<u>£ 4,274,784</u>	<u>£ 114,581</u>	<u>£ 4,389,365</u>	<u>£ 4,215,127</u>

All of the above results are derived from continuing activities.

	Note	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed assets					
Intangible assets	7	541,797	572,334	541,797	572,334
Tangible assets	8	2,057,061	2,095,865	2,057,061	2,095,865
Investments	9	1,115,988	929,165	1,116,088	929,165
		<u>3,714,846</u>	<u>3,597,363</u>	<u>3,714,946</u>	<u>3,597,463</u>
Current assets					
Stock		-	-	-	-
Debtors	12	191,808	177,940	485,369	479,676
Cash at bank and in hand		778,793	777,174	231,524	244,086
		<u>970,601</u>	<u>955,114</u>	<u>716,893</u>	<u>723,762</u>
Creditors: amounts falling due within one year	13	(296,082)	(337,350)	(210,763)	(247,620)
		<u>674,519</u>	<u>617,764</u>	<u>506,130</u>	<u>476,142</u>
Net current assets		674,519	617,764	506,130	476,142
NET ASSETS		£ 4,389,365	£ 4,215,127	£ 4,221,076	£ 4,073,605
Funds					
Unrestricted funds:					
General funds		3,485,669	3,186,854	3,317,380	3,045,332
Designated funds		789,115	933,010	789,115	933,010
Total unrestricted funds:		<u>4,274,784</u>	<u>4,119,864</u>	<u>4,106,495</u>	<u>3,978,342</u>
Restricted funds		114,581	95,263	114,581	95,263
TOTAL FUNDS	14	£ 4,389,365	£ 4,215,127	£ 4,221,076	£ 4,073,605

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies. They were approved, and authorised for issue, by the Trustees on 13 May 2020 and signed on their behalf by:-



Martin Tugwell
President of CIHT and Chair of the Board of Trustees



Sue Sharland
Honorary Treasurer

THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION
GROUP STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	2019		2018	
	£	£	£	£
Cash flows from operating activities:				
Net income for the year (as per the statement of financial activities)	174,238		40,291	
Adjustments for:				
Depreciation charges	57,390		55,380	
Amortisation charges	147,761		40,596	
Dividends and interest from investments	(2,927)		(1,464)	
Decrease in stocks	-		48	
(Increase) / decrease in debtors	(13,868)		56,765	
(Decrease) in creditors	(41,268)		(53,787)	
Net cash (used in)/ provided by operating activities		321,326		137,829
Cash flows from investing activities:				
Dividends and interest from investments	2,927		1,464	
Purchase of tangible fixed assets	(18,586)		(1,482)	
Loss on disposal of assets	-		661	
Purchase of intangible assets	(117,224)		(331,509)	
Loss on disposal of intangible assets	-		-	
(Gains) / losses on investments	(186,819)		12,447	
Proceeds from sale of investments	172,995		-	
Purchase of investments	(173,000)		-	
Net cash (used in) investing activities		(319,707)		(318,419)
Cash flows (used in) financing activities:				
Repayment of mortgage	-		(215,742)	
Net cash (used in) financing activities		-		(215,742)
Change in cash and cash equivalents in the year		1,619		(396,332)
Cash and cash equivalents at the beginning of the year		777,174		1,173,505
Cash and cash equivalents at the end of the year		£ 778,793		£ 777,174

1. ACCOUNTING POLICIES

1.1 STATUTORY INFORMATION

The Chartered Institution of Highways and Transportation is a charitable company limited by royal charter in England and Wales. The registered office address and principal place of business is 119 Britannia Walk, London N1 7JE.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore have also prepared the financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity and group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charity and group's forecasts and projections. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charity and group have adequate resources to continue in operational existence for the foreseeable future. The charity and group therefore continue to adopt the going concern basis in preparing the financial statements.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Appian Trading Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes to the financial statements.

The financial statements are presented in pounds sterling as this is the functional currency of the group. The accounts of non-sterling branches are translated into sterling. Income and expenditure items are translated at appropriate average rates and monetary assets and liabilities at the rates at the balance sheet date. The currency gains and losses are taken to the unrestricted funds.

1.3 INCOME

Income is included in full in the statement of financial activities when receivable unless it relates to a specific future period, in which case it is deferred.

1.4 EXPENDITURE

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on an estimate of staff time, of the amount attributable to each activity.

Support costs relate to premises costs which are allocated on floor area basis; other costs are allocated in proportion to income. Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Branches / regions are accounted for on the accruals basis, other than branches which are treated as affiliates for accounting purposes which are not consolidated.

Monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Building core	50 years
Long leasehold land	not depreciated
Leasehold improvements	25 years
Office equipment and furniture	5 years
Computer equipment	3 years

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1.6 INTANGIBLE FIXED ASSETS AND AMORTISATION

Amortisation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The amortisation rates in use are as follows:

Database and website	5 years
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1.7 FUND ACCOUNTING

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1.8 INVESTMENTS

Fixed asset investments are stated at market value, where market value represents the mid-market value on the last trading day before the year end. Gains and losses arising on investment assets, whether realised or unrealised, accrue to the fund for which the investments are held.

1.9 STOCKS

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

1.10 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.11 PENSIONS

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

1.12 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102.

The year end carrying value of financial assets and financial liabilities, measured at amortised cost, was as follows:

	Group 2019	<i>Group 2018</i>	Charity 2019	<i>Charity 2018</i>
	£	£	£	£
Financial assets measured at fair value	1,115,988	929,165	1,116,088	929,265
Financial assets measured at amortised cost	65,565	112,375	420,735	440,272
Financial liabilities measured at amortised cost	<u>180,916</u>	<u>281,093</u>	<u>100,097</u>	<u>191,363</u>

The year end carrying value of financial assets that are equity instruments, measured at cost less impairment and relating to the charity only were £100 (2018: £100). This balance relates to the investment in the subsidiary company, Appian Trading Limited.

1.13 ACCOUNTING JUDGEMENTS AND ESTIMATES

The key judgements and estimates used in the preparation of these financial statements are as follows:

- The depreciation rate of tangible fixed assets and amortisation rate of intangible assets (as detailed above)
- Support costs are apportioned to direct activities based on the direct staff costs allocated to those activities

There are no other key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. INCOME FROM MEMBER ACTIVITIES

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Member subscriptions	1,497,055	-	1,497,055	1,355,798
Corporate partners	141,001	-	141,001	111,968
Regions & Nations	263,356	24,687	288,043	249,059
Secretariat fees	220,987	-	220,987	243,185
Other	15,163	-	15,163	35,174
	<u>£ 2,137,562</u>	<u>£ 24,687</u>	<u>£ 2,162,249</u>	<u>£ 1,995,184</u>

In 2018, £19,957 of income relating to Regions and Nations was restricted, with all other income from member activities being unrestricted.

3. EXPENDITURE

CURRENT YEAR

	Staff costs £	Direct costs £	Support costs £	2019 £	2018 £
Membership	439,164	527,059	549,576	1,515,799	1,322,907
Education	156,342	59,085	195,648	411,075	312,784
Publications	107,532	256,772	134,567	498,871	500,884
National Conference	8,155	-	10,205	18,360	19,055
Motorway Archive Trust	287	239	359	885	1,509
	<u>711,480</u>	<u>843,155</u>	<u>890,355</u>	<u>2,444,990</u>	<u>2,157,139</u>
Fundraising Appian Trading & collecting subscriptions	93,780	236,552	117,357	447,689	458,623
Support costs (see Note 5)	469,558	538,154	(1,007,712)	-	-
	<u>£ 1,274,818</u>	<u>£ 1,617,861</u>	<u>£ Nil</u>	<u>£ 2,892,679</u>	<u>£ 2,615,762</u>

PRIOR YEAR

	Staff costs £	Direct costs £	Support costs £	2018 £
Membership	435,012	405,858	482,037	1,322,907
Education	127,727	43,522	141,535	312,784
Publications	118,867	250,300	131,717	500,884
National Conference	9,039	-	10,016	19,055
Motorway Archive Trust	284	910	315	1,509
	<u>690,929</u>	<u>700,590</u>	<u>765,620</u>	<u>2,157,139</u>
Fundraising Appian Trading & collecting subscriptions	103,950	239,486	115,187	458,623
Support costs (see Note 5)	421,519	459,288	(880,807)	-
	<u>£ 1,216,398</u>	<u>£ 1,399,364</u>	<u>£ Nil</u>	<u>£ 2,615,762</u>

4. NET INCOME FOR THE YEAR

This is stated after charging:

	2019	2018
	£	£
Depreciation	57,390	55,380
Amortisation	147,761	40,596
Trustees' expenses	16,208	12,415
Auditor remuneration (excluding VAT):		
Audit - current year	11,300	11,100
	<u>11,300</u>	<u>11,100</u>

The Trustees received no remuneration in the year.

Trustees' expenses represent the costs of travel and subsistence for 10 trustees (2018: 8).

5. DIRECT SUPPORT COSTS

	2019	2018
	£	£
Governance costs:		
Audit fee	11,300	11,100
Legal & professional	9,522	17,193
Trustees' meetings	23,159	21,680
Council, committees etc	33,764	28,553
	<u>77,745</u>	<u>78,526</u>
Other support costs:		
Telephone, power, cleaning, rates	51,976	53,401
Building maintenance	19,675	23,651
Insurance	8,271	7,534
Printing, postage & stationery	12,054	12,929
Computer & internet	138,353	85,740
Subscriptions	10,089	6,414
Irrecoverable VAT, payroll processing & bank charges	64,169	50,646
Depreciation	57,390	55,380
Loss on disposal of assets	-	661
Accountancy	51,700	48,300
PR & marketing	46,732	36,106
	<u>£ 538,154</u>	<u>£ 459,288</u>

6. STAFF COSTS

Staff costs were as follows:

	2019	2018
	£	£
Salaries and wages	1,127,687	1,122,190
Social security costs	118,626	112,954
Pension contributions	47,391	43,443
Other staff costs, recruitment and training	59,084	63,324
	<u>1,352,788</u>	<u>1,341,911</u>
Less staff costs capitalised on database and website development (see Note 7)	(77,970)	(125,513)
Total staff cost included as expenditure	<u>£ 1,274,818</u>	<u>£ 1,216,398</u>

The key management personnel of the charity comprise the Chief Executive Officer and senior management team. The total employee benefits of the key management personnel of the charity, inclusive of employer pensions and exclusive of employer National Insurance contributions, were £432,576 (2018: £414,476).

The number of employees whose emoluments amounted to over £60,000 in the year (exclusive of employer pensions and employer National Insurance contributions) was as follows:

	2019	2018
	No.	No.
£60,000 - £69,999	2	3
£70,000 - £79,999	2	-
£100,000 - £109,999	1	1
	<u>1</u>	<u>1</u>

The average headcount during the year was as follows:

<u>28.6</u>	<u>29.2</u>
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7. INTANGIBLE ASSETS - CHARITY AND GROUP

	Database and website £	Total £
Cost		
At 1 January 2019	612,930	612,930
Additions	117,224	117,224
Disposals	-	-
At 31 December 2019	<u>730,154</u>	<u>730,154</u>
Amortisation		
At 1 January 2019	40,596	40,596
Charge for the year	147,761	147,761
At 31 December 2019	<u>188,357</u>	<u>188,357</u>
Net book value		
At 31 December 2019	<u>541,797</u>	<u>541,797</u>
At 31 December 2018	<u>572,334</u>	<u>572,334</u>

8. TANGIBLE FIXED ASSETS - CHARITY AND GROUP

	Long leasehold property £	Office equipment & furniture £	Computer equipment & software £	Total £
Cost				
At 1 January 2019	2,564,585	177,135	54,719	2,796,439
Additions	-	1,100	17,486	18,586
Disposals	-	(152,189)	(42,349)	(194,538)
At 31 December 2019	<u>2,564,585</u>	<u>26,046</u>	<u>29,856</u>	<u>2,620,487</u>
Depreciation				
At 1 January 2019	475,276	172,219	53,079	700,574
Charge for the year	47,137	2,888	7,365	57,390
On disposals	-	(152,189)	(42,349)	(194,538)
At 31 December 2019	<u>522,413</u>	<u>22,918</u>	<u>18,095</u>	<u>563,426</u>
Net book value				
At 31 December 2019	<u>£ 2,042,172</u>	<u>£ 3,128</u>	<u>£ 11,761</u>	<u>£ 2,057,061</u>
At 31 December 2018	<u>£ 2,089,309</u>	<u>£ 4,916</u>	<u>£ 1,640</u>	<u>£ 2,095,865</u>

9. INVESTMENTS

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Market Value				
At 1 January	929,165	941,612	929,265	941,712
Additions at cost	173,000	-	173,000	-
Disposal proceeds	(172,996)	-	(172,996)	-
Net gains	186,819	(12,447)	186,819	(12,447)
At 31 December	<u>£ 1,115,988</u>	<u>£ 929,165</u>	<u>£ 1,116,088</u>	<u>£ 929,265</u>
Historic cost at the year end	<u>£ 739,332</u>	<u>£ 643,384</u>	<u>£ 739,432</u>	<u>£ 643,484</u>

Investments comprise:

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Henderson UK Index Unit Fund (Acc)	-	158,153	-	158,153
CCLA COIF Charities Investment Fund	937,902	771,012	937,902	771,012
CCLA COIF Charities Ethical Investment Fund	178,086	-	178,086	-
Investment in subsidiary undertaking	-	-	100	100
	<u>£ 1,115,988</u>	<u>£ 929,165</u>	<u>£ 1,116,088</u>	<u>£ 929,265</u>

10. SUBSIDIARY UNDERTAKING

The charity owns the whole of the issued ordinary share capital of Appian Trading Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charity. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	509,838	495,946
Cost of sales	<u>(348,017)</u>	<u>(360,892)</u>
Surplus for the period	<u>£ 161,821</u>	<u>£ 135,054</u>

Changes in equity:

	2019 £	2018 £
Total equity brought forward	141,522	129,337
Total comprehensive income for the year	161,821	135,054
Gift aid distribution to parent charity	<u>(135,054)</u>	<u>(122,869)</u>
	<u>£ 168,289</u>	<u>£ 141,522</u>

The aggregate of the assets, liabilities and funds was:

	2019 £	2018 £
Debtors	74,837	34,572
Cash at bank and in hand	547,269	533,089
Creditors	<u>(453,717)</u>	<u>(426,039)</u>
Capital and reserves at the year end (including £100 share capital)	<u>£ 168,389</u>	<u>£ 141,622</u>

11. PARENT CHARITY

The parent charity's gross income and the results for the year are disclosed as follows:

	2019 £	2018 £
Total income	<u>2,505,314</u>	<u>2,295,423</u>
Net movement in funds	<u>147,471</u>	<u>28,106</u>

12. DEBTORS

	Group 2019 £	<i>Group</i> <i>2018</i> £	Charity 2019 £	<i>Charity</i> <i>2018</i> £
Trade debtors	49,275	85,315	36,047	76,904
Prepayments	126,243	65,565	64,634	39,404
Other debtors	13,873	13,358	13,873	13,358
Due from subsidiary inc Gift Aid	-	-	368,398	336,308
Branch debtors	2,417	13,702	2,417	13,702
	£ 191,808	£ 177,940	£ 485,369	£ 479,676

13. CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	<i>Group</i> <i>2018</i> £	Charity 2019 £	<i>Charity</i> <i>2018</i> £
Trade creditors	80,123	170,999	40,495	81,268
Branch creditors	-	2,328	-	2,329
Taxes and social security	2,838	36,169	2,958	36,169
Pension costs creditor	8,585	6,451	8,585	6,451
Other creditors	10,359	16,305	10,359	16,305
Deferred income	115,166	56,257	110,666	56,257
Accruals	79,011	48,841	37,700	48,841
	£ 296,082	£ 337,350	£ 210,763	£ 247,620

	Group 2019 £	<i>Group</i> <i>2018</i> £	Charity 2019 £	<i>Charity</i> <i>2018</i> £
Deferred income				
Balance at 1 January	56,257	111,790	56,257	111,090
Amount released from previous years	(56,257)	(111,790)	(56,257)	(111,090)
Amount deferred in the year	115,166	56,257	110,666	56,257
Balance at 31 December	£ 115,166	£ 56,257	£ 110,666	£ 56,257

14. STATEMENT OF FUNDS - CURRENT YEAR

	Brought forward £	Income £	Expenditure £	Transfers and gains £	Carried forward £
Restricted funds:					
1. CIHT Foundation Fund	46,034	18,409	(7,674)	-	56,769
2. Hong Kong Branch Fund	40,505	24,687	(18,328)	-	46,864
3. Diversity project	3,998	-	(3,998)	-	-
4. Careers project	2,250	5,000	(3,252)	-	3,998
5. Motorway Archive Trust	2,476	213	(239)	-	2,450
Total restricted funds	95,263	52,809	(33,491)	£ Nil	114,581

- The CIHT Foundation Fund has been set up as a separate restricted fund to receive charitable donations from collections and other appeals to distribute to activities and projects that advance the art and science of highways and transportation.
- The Hong Kong branch funds are controlled locally by the CIHT branch in that territory and are regarded as restricted to use in Hong Kong.
- The Diversity Project is a Royal Academy of Engineering funded project to develop a toolkit which provides employers in the Highways and Transportation sector with advice and guidance on attracting and retaining employees from diverse backgrounds. The remaining balance on this fund will be used in 2019 to support marketing of an event at which we will be promoting use of toolkit by employers.
- Funding for the Women in Transport Exhibition and ongoing materials aimed at attracting individuals to a career in Highways & Transportation.
- The Motorway Archive Trust fund is used to maintain its archives.

	Brought forward £	Income £	Expenditure £	Transfers and gains £	Carried forward £
Designated funds:					
1. IT Development	115,000	-	(27,956)	(7,421)	79,623
2. Refurbishment	16,768	-	(797)	-	15,971
3. Member training & professional development	12,006	-	-	-	12,006
4. Research (Policy & Technical)	65,000	-	(3,850)	-	61,150
5. Research (CIHT Related)	40,000	-	(11,432)	-	28,568
6. Diversification of Income	61,902	-	(61,902)	-	-
7. Diversity & Inclusion	50,000	-	-	-	50,000
Total revenue funds	360,676	-	(105,937)	(7,421)	247,318
Capital funds					
8. Database and website	572,334	-	(147,761)	117,224	541,797
Total designated funds	£ 933,010	£ Nil	£ (253,698)	£ 109,803	£ 789,115

14. STATEMENT OF FUNDS - CURRENT YEAR (CONTINUED)

Purposes of designated funds

1. IT Development. To cover ongoing future development of IT platform and website.
2. Refurbishment. To fund the renovation and replacement of facilities and equipment for Space 119 to ensure that we are able to retain and develop lettings income. This fund also covers the renovation and refurbishment of the ground floor.
3. Member Training & Professional Development. To encompass the development and set up of the Professional Development Scheme.
4. Research (Policy & Technical). A fund to build capacity to research emerging issues in transportation infrastructure, fund specific projects in the policy and technical areas and to conduct research directly related to the Institution.
5. Research (CIHT Related). A fund to support research to take advantage of opportunities to enhance the positioning of CIHT in UK and in international markets.
6. Diversification of Income. A fund to enable the research and development of commercial activities that might be undertaken by the Institution as a means of diversifying sources of revenue e.g. development of sponsorship strategy, taking products to market.
7. Diversity & Inclusion. To provide funding to support progression of our developmental work in this area.
8. Database and website. A transfer has been made into the fund to represent the amount spent in the year on the database and website. The year end balance on the fund equates to the book value of intangible assets.

SUMMARY OF FUNDS IN THE YEAR

	Brought forward 1 January 2019 £	Income £	Expenditure £	Transfers and gains £	Carried forward 31 December 2019 £
Total general funds	3,186,854	2,827,289	(2,605,490)	77,016	3,485,669
Designated funds	933,010	-	(253,698)	109,803	789,115
Total unrestricted funds	4,119,864	2,827,289	(2,859,188)	186,819	4,274,784
Restricted funds	95,263	52,809	(33,491)	-	114,581
Total funds	<u>£ 4,215,127</u>	<u>£ 2,880,098</u>	<u>£ (2,892,679)</u>	<u>£ 186,819</u>	<u>£ 4,389,365</u>

15. STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers and gains £	Carried forward £
Restricted funds:					
CIHT Foundation Fund	49,512	18,681	(22,159)	-	46,034
Hong Kong Branch Fund	35,381	19,957	(14,833)	-	40,505
Diversity project	3,998	-	-	-	3,998
Careers project	-	5,000	(2,750)	-	2,250
Motorway Archive Trust	3,286	100	(910)	-	2,476
Total restricted funds	92,177	43,738	(40,652)	£ Nil	95,263
Designated funds:					
IT Development	118,170	-	(4,819)	1,649	115,000
Refurbishment	9,723	-	(12,955)	20,000	16,768
Member training & professional development	47,634	-	(10,628)	(25,000)	12,006
Research (Policy & Technical)	115,000	-	-	(50,000)	65,000
Research (CIHT Related)	-	-	-	40,000	40,000
Mortgage	15,000	-	(15,000)	-	-
Diversification of Income	100,000	-	(9,098)	(29,000)	61,902
Diversity & Inclusion	-	-	-	50,000	50,000
Total revenue funds	405,527	-	(52,500)	7,649	360,676
Capital funds					
Database and website	281,421	-	(40,596)	331,509	572,334
Total designated funds	£ 686,948	£ Nil	£ (93,096)	£ 339,158	£ 933,010

SUMMARY OF FUNDS IN THE PRIOR YEAR

	Brought forward 1 January 2018 £	Income £	Expenditure £	Transfers and gains £	Carried forward 31 December 2018 £
Total general funds	3,395,711	2,624,762	(2,482,014)	(351,605)	3,186,854
Designated funds	686,948	-	(93,096)	339,158	933,010
Total unrestricted funds	4,082,659	2,624,762	(2,575,110)	(12,447)	4,119,864
Restricted funds	92,177	43,738	(40,652)	-	95,263
Total funds	£ 4,174,836	£ 2,668,500	£ (2,615,762)	£ (12,447)	£ 4,215,127

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

CURRENT YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	2,057,061	-	2,057,061
Intangible fixed assets	541,797	-	-	541,797
Investments	-	1,115,988	-	1,115,988
Net current assets	247,318	312,620	114,581	674,519
	<u>£ 789,115</u>	<u>£ 3,485,669</u>	<u>£ 114,581</u>	<u>£ 4,389,365</u>

PRIOR YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	2,095,865	-	2,095,865
Intangible fixed assets	572,334	-	-	572,334
Investments	-	929,165	-	929,165
Net current assets	360,676	161,825	95,263	617,764
	<u>£ 933,010</u>	<u>£ 3,186,854</u>	<u>£ 95,263</u>	<u>£ 4,215,127</u>

17. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR

	<i>Unrestricted Funds 2018 £</i>	<i>Restricted Funds 2018 £</i>	<i>Total Funds 2018 £</i>
Income			
<i>Donations and legacies</i>	-	18,781	18,781
<i>Income from Charitable activities:</i>			
<i>Member activities</i>	1,975,227	19,957	1,995,184
<i>Education income</i>	65,909	5,000	70,909
<i>Publication sales</i>	86,576	-	86,576
<i>National Conference</i>	39,107	-	39,107
	<u>2,166,819</u>	<u>24,957</u>	<u>2,191,776</u>
<i>Other trading activities:</i>			
<i>Appian Trading</i>	456,479	-	456,479
<i>Investment income receivable</i>	1,464	-	1,464
Total income	<u>2,624,762</u>	<u>43,738</u>	<u>2,668,500</u>
Expenditure			
<i>Expenditure on Charitable activities:</i>			
<i>Membership</i>	1,285,915	36,992	1,322,907
<i>Education</i>	310,034	2,750	312,784
<i>Publications</i>	500,884	-	500,884
<i>National Conference</i>	19,055	-	19,055
<i>Motorway Archive Trust</i>	599	910	1,509
	<u>2,116,487</u>	<u>40,652</u>	<u>2,157,139</u>
<i>Expenditure on raising funds:</i>			
<i>Trading & collecting subscriptions</i>	458,623	-	458,623
Total expenditure	<u>2,575,110</u>	<u>40,652</u>	<u>2,615,762</u>
Net income before gains on investments	49,652	3,086	52,738
Net (losses) on investments	<u>(12,447)</u>	<u>-</u>	<u>(12,447)</u>
Net income / Net movement in funds	37,205	3,086	40,291
Reconciliation of funds			
<i>Total funds brought forward</i>	4,082,659	92,177	4,174,836
Total funds carried forward	<u>£ 4,119,864</u>	<u>£ 95,263</u>	<u>£ 4,215,127</u>

18. POST BALANCE SHEET EVENTS

Following the Balance Sheet date, the outbreak of Covid 19 resulted in a material reduction in the value of the Charity's investment portfolio. As at April 2020, the value of the portfolio held within CCLA (see Note 9) had reduced by approximately £100,000 compared to 31 December 2019.

19. RELATED PARTY TRANSACTIONS

Ginny Clarke is a CIHT Trustee and she is also a Trustee of the **Rees Jeffreys Road Fund** who have supported CIHT projects on D&I and careers. She is also Vice Chair of the Risk and Audit Committee of the Royal Academy of Civil Engineers.

Susan Giahni Broadbent is a CIHT Council Member and is a Senior Technical Director at **Jacobs** which is a corporate partner of CIHT who have sponsored CIHT events and activities.

Jo Field is a CIHT Council Member. She is also a Founder & Managing Director of JFG Communications Ltd whose current clients include **Costain Skanska Joint Venture / HS2** enabling works. **Skanska Infrastructure UK** and **Costain** are corporate partners of CIHT who sponsor CIHT from time to time.

Gill Foster is a CIHT Council Member and member of the Audit Committee and is a Director at **WSP** which is a corporate partner of CIHT who have sponsored CIHT events and activities.

Nick Hopcraft is a CIHT Council Member and member of the Audit Committee, and Sponsor, HS2 Delivery team, at **Highways England** who support / sponsor CIHT from time to time.

Matthew Lugg is a CIHT Trustee and Head of Profession – Local Government at **WSP** which is a corporate partner of CIHT who have sponsored CIHT events and activities.

Glenn Lyons is a CIHT Trustee and holds the Chair in Future Mobility sponsored by **Mott MacDonald at University of West of England** and is also seconded for half of his time to Mott MacDonald. Mott MacDonald is a corporate partner of CIHT who have sponsored CIHT events. He is also the lead researcher on the **CIHT Futures Project**. He is also a Trustee of the **Rees Jeffreys Road Fund** who have financially supported CIHT projects on D&I and Careers

Dana Skelley is a CIHT Council Member. She is also a Director and Shareholder of **Skanska Infrastructure UK** which is a corporate partner of CIHT who sponsor CIHT from time to time.

Wayne Duerden is Head of Traffic Engineering & Traffic Signs Policy at the **Department for Transport** who sponsored two of the CIHT awards in 2018.

Richard Ward-Jones is a Director of Appian Trading Limited and also a Market Director at **Amey** who are a corporate partner and have sponsored CIHT events and activities.

Andrew Warrington is a CIHT Council Member and a Technical Director at **Arcadis** which is a corporate partner of CIHT who have sponsored CIHT events.

Sue Sharland is a Trustee and Treasurer and a Trustee of the Road Safety Foundation, a Trustee of iRAP and a Director of their subsidiary RASL.

Bert (Herbert) Bailie is a CIHT Council member and member of the Audit Committee. He is also Chair of the Inclusive Mobility and Transport Advisory Committee.

Peter Molyneux is a CIHT Trustee and Major Roads Director of Transport for the North which is a member of CIHT's Partnerships Network.

Kate Carpenter is a CIHT Council Member and Divisional Director at Jacobs which is a corporate partner of CIHT who have sponsored CIHT events and activities.

Mitesh Solanki is a CIHT Trustee and Chair of Appian Trading Limited and was employed as Managing Director for Local Authorities at Kier Highways Limited which is a corporate partner of CIHT who have sponsored CIHT events and activities.

Anthony Ferguson is a Council Member and Deputy Director of Traffic Technology at the Department for Transport.