



**The Chartered Institution of  
Highways & Transportation  
Report and financial statements  
For the year ended 31 December 2017**

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 2017  
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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 2017.

### **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 Transport Planning Professional
- Fostering research and debate on a long-term vision for transport infrastructure through knowledge generation and future thinking
- The publication of guidance, and a monthly magazine, Transportation Professional
- The encouragement and provision 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 in the UK and the national groups in the Republic of Ireland, Hong Kong, Malaysia 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 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 standards laid down in the membership matrix. Student and Apprenticeship membership is encouraged and provided free of charge. Lower rates are charged for graduates and associate members whilst special concessions are offered in cases of personal change of circumstance, hardship or unemployment.

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 / Procurement / 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 guidance contained in 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 14,392 on 31 December 2017. 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.

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.

##### 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, as well as the SoRSA Certificate of Competency in Road Safety Audit, endorsed by Highways England, and the Transport Planning Professional qualification run in partnership with Transport Planning Society.

2017 saw 78 candidates pass their professional qualifications. 51 candidates gained CEng, 18 gained IEng, 9 gained EngTech and 15 achieved the Transport Planning Professional Qualification.

In March 2017, CIHT partnered with the Chartered Management Institute (CMI) to offer a streamlined route to qualify as a Chartered Manager (CMgr). The partnership means that CIHT members who hold Chartered Engineer (CEng), Incorporated Engineer (IEng), or Transport Planning Professional (TPP) registration with

five years or more of management experience are eligible for CMI's qualified route to becoming a Chartered Manager.

## **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 more media than ever before including broadcast, online and print. Recent communication activity has seen comments on the UK's Election, shared streets, network resilience, diversity and inclusion and skills provision for the industry.

CIHT responded to 19 consultation documents from governments across the UK. This resulted in evidence being given to the Transport and Women and Equalities Select committees. The Institution maintained its close links with other key stakeholders on a variety of issues and issued media/policy briefings on topics such as Diversity and Inclusion, Collaboration, High Speed Rail, and the Industrial Strategy.

CIHT continued to promote its Diversity and Inclusion toolkit. The toolkit is available online and was this year supplemented by the launch of a Diversity and Inclusion Charter. 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 has continued to maintain its level of engagement with politicians/key stakeholders and the Scottish policy forum has been successful in engaging with the Scottish government on a number of key issues.

CIHT signed an International Collaboration Agreement with the American Institute of Transport Engineers (ITE) to work together on reciprocal memberships, promotion of applicable work across various media channels, co-branding of events and seminars, webinar and podcast creation and facilitation of information sharing.

### Transportation Professional

Transportation Professional, is sent out 10 times a year. Recent features have been Innovation, Education, and Road Construction and Maintenance and technical articles on a range of topics including Sustainable Transport, Road Worker Safety, and Local Transport Provision. 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 380 news items were released to keep members up to date on industry activity.

## **3) Membership**

Membership growth and retention are a key strategic priority for CIHT. The last year has seen a 2% growth in membership.

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.

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

April 2017 saw the launch of the National Young Professionals Network, providing the opportunity for members to come together to discuss key issues and make a positive contribution to CIHT at a national level.

CIHT has also invested in the development of a new integrated website and membership database which is anticipated to go live in autumn 2018. This will enable CIHT to offer enhanced support for existing members and improved support for regional volunteers.

#### 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

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

In 2017, CIHT's regions ran over 236 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 also provide local mentor support for members seeking to become professionally qualified.

#### Events

Britannia Walk organised seminars that covered themes such as Local Roads Futures, New Models for Collaboration and Total Transport.

Over 220 delegates attended the Institution's fourth Annual Conference in March 2017 and focussed on 'delivering world class transport infrastructure and services'. The Conference was a major success with speakers from the Department for Transport, Highways England, ADEPT and the RAC Foundation. 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 380 guests in June 2017 at the Troxy, London. The Awards Dinner is a culmination of a competition based across 14 separate categories which, in 2017, received over 120 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 1,750 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 increasing use from external clients with over 150 bookings during the year.

#### Future plans

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

- Providing 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 be developing 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 new Strategic Plan 2016-2021 is underpinned by a corporate business plan and financial strategy that signals clear performance targets and measurable outcomes.

### **Structure, governance and management**

The Institution is a Registered Charity in England and Wales (1136896), incorporated by Royal Charter and a Registered Charity in Scotland (SCO40873). 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 / branches) 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.

CIHT has commenced a review of current governance arrangements which will be reported upon in 2018. In undertaking the review, we will be taking into account best practice as recommended in the new Charity Governance code.

### **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 disclosures are disclosed in Note 4 and Note 17 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**

Surplus funds have been reinvested in UK Index Tracker Unit Trusts and COIF Charities Investment Fund which are administered on behalf of the Institution. The objective of the investment 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 2017, the increased value in our average investment holding during the year was £84,235 (2016: £78,176) reflecting a gain of 10.9%.

### **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 £895,500 based on the 2018 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 2017 free reserves (which includes designated funds and is defined as Current Assets plus Investments less Current Liabilities and less Restricted Funds) stood at £1,847,181 (2016: £1,898,706). Excluding designated funds (set aside for specific purposes and outlined in Note 15 of the financial statements), net free reserves totalled £1,441,654 (2016: £1,367,789).

### **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.

### **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 is overseen by the Board of Trustees. There have been no concerns or complaints received concerning fundraising for the CIHT Foundation.



### **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.

A key risk identified in the last comprehensive review of the Risk Register related to the engagement of members as volunteers. In order to mitigate this risk, there are now two dedicated Regional Engagement Officers in post, increased use of digital communications including webinars and more systematic succession planning.

The other key risk identified in the last review relates to compliance with the new General Data Protection Regulation (GDPR) which become effective from May 2018. A programme of work is now underway to ensure appropriate actions are being taken to prepare for GDPR. Progress in delivering the GDPR action plan is being overseen by the Audit Committee and reported regularly to Trustees.

### **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

Andreas Markides  
President of CIHT and Chair of the Board of Trustees

Date: 17 May 2018



**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2017**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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**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**

The members of the Board of Trustees, who were Trustees of the charity until 21 June 2017, are shown below

S Rowsell (President)  
G Baker  
R Bennett  
D Black  
P Brown (Hon Treasurer)  
M Lugg (Vice President)  
G Lyons  
A Markides (Vice President)  
S Palmer  
S Sharland  
D Sims  
M Tugwell

The members of the Board of Trustees, who were Trustees of the charity from 21 June 2017, are shown below

A Markides (President)  
G Baker  
R Bennett  
P Brown (Hon Treasurer)  
G Clarke  
M Lugg (Vice President)  
G Lyons  
S Palmer  
S Rowsell  
D Sims  
D Skelley  
M Tugwell (Vice President)

**Chief Executive and Secretary**

Sue Percy

**Auditors**

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



**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2017**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Solicitors**

Withers  
Old Bailey  
London  
EC4M 7EG

**Bankers**

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

Unity Bank PLC  
Nine Brindley Place  
Birmingham  
B1 2HB

**Investment Managers**

Allianz Global Investors  
PO Box 9031  
Chelmsford  
CM99 2WN

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 Chartered Institution of Highways and Transportation (the 'parent charity') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 group and parent charity's affairs as at 31 December 2017 and of the group's 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 regulations 6 and 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 group 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 group or parent 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 Act 2011 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 group and parent 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**

This report is made solely to the parent 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 parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 those Acts.

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 group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees



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

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- 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 group's or the parent charity'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 group or the parent charity 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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 2017**

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
<b>Income</b>					
Donations and legacies		-	13,137	13,137	15,974
Income from Charitable activities:					
Member activities	2	1,893,703	21,175	1,914,878	1,886,294
Education income		48,636	-	48,636	75,372
Publication sales		91,279	-	91,279	113,584
National Conference		36,865	-	36,865	39,069
		<u>2,070,483</u>	<u>21,175</u>	<u>2,091,658</u>	<u>2,114,319</u>
Other trading activities:					
Appian Trading		447,243	-	447,243	454,024
Investment income receivable		3,351	-	3,351	7,812
<b>Total income</b>		<u>2,521,077</u>	<u>34,312</u>	<u>2,555,389</u>	<u>2,592,129</u>
<b>Expenditure</b>					
Expenditure on Charitable activities:					
Membership		1,155,799	42,523	1,198,322	1,099,020
Education		262,635	-	262,635	290,461
Publications		498,268	-	498,268	550,381
National Conference		20,683	-	20,683	19,567
Motorway Archive Trust		554	1,638	2,192	1,242
		<u>1,937,939</u>	<u>44,161</u>	<u>1,982,100</u>	<u>1,960,671</u>
Expenditure on raising funds:					
Trading & collecting subscriptions		465,827	-	465,827	505,061
<b>Total expenditure</b>	3	<u>2,403,766</u>	<u>44,161</u>	<u>2,447,927</u>	<u>2,465,732</u>
<b>Net income before gains on investments</b>		117,311	(9,849)	107,462	126,397
Net gains on investments	9	84,235	-	84,235	78,176
<b>Net income / Net movement in funds</b>		201,546	(9,849)	191,697	204,573
<b>Reconciliation of funds</b>					
Total funds brought forward		3,881,113	102,026	3,983,139	3,778,566
<b>Total funds carried forward</b>	15	<u>£ 4,082,659</u>	<u>£ 92,177</u>	<u>£ 4,174,836</u>	<u>£ 3,983,139</u>

All of the above results are derived from continuing activities.



**THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION**  
**BALANCE SHEETS**  
**As at 31 December 2017**

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 as restated £
<b>Fixed assets</b>					
Intangible assets	7	281,421	-	281,421	-
Tangible assets	8	2,150,424	2,196,774	2,150,424	2,196,774
Investments	9	941,612	607,399	941,712	607,499
		<u>3,373,457</u>	<u>2,804,173</u>	<u>3,373,557</u>	<u>2,804,273</u>
<b>Current assets</b>					
Stock		48	751	48	751
Debtors	12	234,705	243,780	361,171	690,539
Cash at bank and in hand		1,173,505	1,557,425	829,473	932,553
		<u>1,408,258</u>	<u>1,801,956</u>	<u>1,190,692</u>	<u>1,623,843</u>
<b>Creditors: amounts falling due within one year</b>	13	<b>(410,512)</b>	<b>(408,623)</b>	<b>(322,383)</b>	<b>(343,425)</b>
<b>Net current assets</b>		<u><b>997,746</b></u>	<u>1,393,333</u>	<u><b>868,309</b></u>	<u>1,280,418</u>
<b>Creditors: amounts falling due after more than one year:</b>	14	<b>(196,367)</b>	<b>(214,367)</b>	<b>(196,367)</b>	<b>(214,367)</b>
<b>NET ASSETS</b>		<u><b>£ 4,174,836</b></u>	<u>£ 3,983,139</u>	<u><b>£ 4,045,499</b></u>	<u>£ 3,870,324</u>
<b>Funds</b>					
Unrestricted funds:					
General funds		3,395,711	3,350,196	3,266,374	3,237,381
Designated funds		686,948	530,917	686,948	530,917
Total unrestricted funds:		4,082,659	3,881,113	3,953,322	3,768,298
Restricted funds		92,177	102,026	92,177	102,026
<b>TOTAL FUNDS</b>	15	<u><b>£ 4,174,836</b></u>	<u>£ 3,983,139</u>	<u><b>£ 4,045,499</b></u>	<u>£ 3,870,324</u>

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 16 May 2018 and signed on their behalf by:-

Andreas Markides  
 President of CIHT and Chair of the Board of Trustees

Peter Brown  
 Honorary Treasurer

The annexed notes form part of these financial statements



**THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION**  
**GROUP STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2017**

	2017		2016	
	£	£	£	£
<b>Cash flows from operating activities:</b>				
Net income for the year (as per the statement of financial activities)	191,697		204,573	
Adjustments for:				
Depreciation charges	55,733		53,751	
Dividends and interest from investments	(3,351)		(7,812)	
Decrease in stocks	703		157	
(Increase) / decrease in debtors	9,075		238,548	
Increase / (decrease) in creditors	<u>(16,111)</u>		<u>(77,469)</u>	
<b>Net cash provided by operating activities</b>		<b>237,746</b>		<b>411,748</b>
<b>Cash flows from investing activities:</b>				
Dividends and interest from investments	3,351		7,812	
Purchase of tangible fixed assets	(9,383)		(7,017)	
Purchase of intangible assets	(281,421)		-	
(Gains) on investments	(84,235)		(78,176)	
Proceeds from sale of investments	171,022		-	
Purchase of investments	<u>(421,000)</u>		<u>-</u>	
<b>Net cash provided by / (used in) investing activities</b>		<b><u>(621,666)</u></b>		<b><u>(77,381)</u></b>
Change in cash and cash equivalents in the year		<b>(383,920)</b>		<b>334,367</b>
Cash and cash equivalents at the beginning of the year		<b>1,557,425</b>		<b>1,223,058</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>£ 1,173,505</b>		<b>£ 1,557,425</b>	

## **1. ACCOUNTING POLICIES**

### **1.1 STATUTORY INFORMATION**

The Chartered Institution of Highways and Transportation is a charitable company limited by guarantee and is incorporated 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 companies 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 CHANGE IN ACCOUNTING POLICY AND RESTATEMENT OF PRIOR YEAR COMPARATIVES**

Following the update to FRS 102 issued in December 2017, a restatement of comparative items was required. FRS 102 now requires the gift aid payments from the Subsidiary undertaking (see Note 10) to the parent charity to be accounted for as a distribution to the parent charity. As a distribution, the previously accrued gift aid payments from the subsidiary undertaking have been removed as under the definition of FRS 102, no legal obligation existed at the year end. The group financial statements are not affected by this restatement.

## **1.5 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.

## **1.6 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.

## **1.7 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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## **1.8 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.

## **1.9 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.

### 1.10 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.

### 1.11 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.

### 1.12 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.

### 1.13 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:

	<b>Group 2017</b>	<i>Group 2016</i>	<b>Charity 2017</b>	<i>Charity 2016 as restated</i>
	£	£	£	£
Financial assets measured at fair value	<b>941,612</b>	607,399	<b>941,712</b>	607,499
Financial assets measured at amortised cost	<b>176,919</b>	198,776	<b>330,635</b>	652,789
Financial liabilities measured at amortised cost	<b><u>298,722</u></b>	<u>305,722</u>	<b><u>211,293</u></b>	<u>240,524</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 (2016: £100). This balance relates to the investment in the subsidiary company, Appian Trading Limited.

### 1.14 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 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Member subscriptions	1,296,018	-	1,296,018	1,248,169
Corporate partners	98,625	-	98,625	88,170
Regions & Nations	221,218	21,175	242,393	233,671
Secretariat fees	244,204	-	244,204	250,837
Other	33,638	-	33,638	65,447
	<u>£ 1,893,703</u>	<u>£ 21,175</u>	<u>£ 1,914,878</u>	<u>£ 1,886,294</u>

## 3. EXPENDITURE IN THE YEAR

	Staff costs £	Direct costs £	Support costs £	2017 £	2016 £
Membership	412,471	328,945	456,906	1,198,322	1,099,020
Education	112,840	24,799	124,996	262,635	290,461
Publications	121,217	242,775	134,276	498,268	550,381
National Conference	9,813	-	10,870	20,683	19,567
Motorway Archive Trust	263	1,638	291	2,192	1,242
	<u>656,604</u>	<u>598,157</u>	<u>727,339</u>	<u>1,982,100</u>	<u>1,960,671</u>
Fundraising Appian Trading & collecting subscriptions	112,845	227,980	125,002	465,827	505,061
Support costs (see Note 5)	385,150	467,191	(852,341)	-	-
	<u>£ 1,154,599</u>	<u>£ 1,293,328</u>	<u>£ Nil</u>	<u>£ 2,447,927</u>	<u>£ 2,465,732</u>

## 4. NET INCOME FOR THE YEAR

This is stated after charging:

	2017 £	2016 £
Depreciation	55,733	53,751
Trustees' expenses	11,592	8,722
Auditor remuneration (excluding VAT): Audit - current year	<u>10,800</u>	<u>10,500</u>

The Trustees received no remuneration in the year.

Trustees' expenses represent the costs of travel and subsistence for 10 trustees (2016: 7).

## 5. DIRECT SUPPORT COSTS

	2017 £	2016 £
Governance costs:		
Audit fee	10,800	10,500
Legal & professional	13,047	8,829
Trustees' meetings	23,791	24,246
Council, committees etc	<u>32,590</u>	<u>26,012</u>
	<b>80,228</b>	<b>69,587</b>
Other support costs:		
Telephone, power, cleaning, rates	52,645	48,770
Building maintenance	23,417	22,953
Insurance	7,716	8,223
Printing, postage & stationery	14,684	16,311
Computer & internet	73,729	66,249
Subscriptions	8,433	7,910
Irrecoverable VAT, payroll processing & bank charges	49,184	46,667
Depreciation	55,733	53,751
Accountancy	47,160	44,500
PR & marketing	<u>54,262</u>	<u>57,223</u>
	<b>£ 467,191</b>	<b>£ 442,144</b>

## 6. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	1,059,598	916,685
Social security costs	108,498	94,958
Pension contributions	39,521	37,655
Other staff costs, recruitment and training	<u>33,847</u>	<u>27,823</u>
	<b>1,241,464</b>	<b>1,077,121</b>
Less staff costs capitalised on database and website development (see Note 7)	<b>(86,865)</b>	-
Total staff cost included as expenditure	<b>£ 1,154,599</b>	<b>£ 1,077,121</b>

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 employer National Insurance contributions, were £399,318 (2016: £388,539).

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:

	2017 No.	2016 No.
£60,000 - £69,999	3	3
£90,000 - £99,999	<u>1</u>	<u>1</u>

The average headcount during the year was as follows:

<b>26.8</b>	<b>23.3</b>
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## 7. INTANGIBLE ASSETS - CHARITY AND GROUP

	Database and website £	Total £
<b>Cost</b>		
At 1 January 2017	-	-
Additions	<u>281,421</u>	<u>281,421</u>
At 31 December 2017	<u>281,421</u>	<u>281,421</u>
<b>Amortisation</b>		
At 1 January 2017 and at 31 December 2017	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2017	<u>£ 281,421</u>	<u>£ 281,421</u>
At 31 December 2016	<u>£ Nil</u>	<u>£ Nil</u>

No amortisation has been charged as the Database and website was still in development at the year end.

## 8. TANGIBLE FIXED ASSETS - CHARITY AND GROUP

	Long leasehold property £	Office equipment & furniture £	Computer equipment & software £	Total £
<b>Cost</b>				
At 1 January 2017	2,564,585	172,782	50,152	2,787,519
Additions	-	2,871	6,512	9,383
At 31 December 2017	<u>2,564,585</u>	<u>175,653</u>	<u>56,664</u>	<u>2,796,902</u>
<b>Depreciation</b>				
At 1 January 2017	381,003	165,460	44,282	590,745
Charge for the year	47,137	3,556	5,040	55,733
At 31 December 2017	<u>428,140</u>	<u>169,016</u>	<u>49,322</u>	<u>646,478</u>
<b>Net book value</b>				
At 31 December 2017	<u>£ 2,136,445</u>	<u>£ 6,637</u>	<u>£ 7,342</u>	<u>£ 2,150,424</u>
At 31 December 2016	<u>£ 2,183,582</u>	<u>£ 7,322</u>	<u>£ 5,870</u>	<u>£ 2,196,774</u>

## 9. INVESTMENTS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
<b>Market Value</b>				
At 1 January	607,399	529,223	607,399	529,323
Additions at cost	421,000	-	421,000	-
Disposal proceeds	(171,022)	-	(171,022)	-
Net gains	84,235	78,176	84,335	78,176
At 31 December	<u>£ 941,612</u>	<u>£ 607,399</u>	<u>£ 941,712</u>	<u>£ 607,499</u>
Historic cost at the year end	<u>£ 643,384</u>	<u>£ 310,000</u>	<u>£ 643,484</u>	<u>£ 310,100</u>

Investments comprise:

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Charity 2017 £</b>	<i>Charity 2016 £</i>
Allianz Dresdner RCM UK Index Funds	-	157,145	-	157,145
Henderson UK Index Unit Fund (Acc)	<b>175,199</b>	156,005	<b>175,199</b>	156,005
CCLA COIF Charities Investment Fund	<b>766,413</b>	294,249	<b>766,413</b>	294,249
Investment in subsidiary undertaking	-	-	<b>100</b>	100
	<b>£ 941,612</b>	£ 607,399	<b>£ 941,712</b>	£ 607,499

## 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:

	<b>2017 £</b>	<i>2016 as restated £</i>
Turnover	<b>484,529</b>	495,129
Cost of sales	<b>(361,660)</b>	(388,782)
Surplus for the period	<b>£ 122,869</b>	£ 106,347

Changes in equity:

	<b>2017 £</b>	<i>2016 as restated £</i>
Total equity brought forward	<b>112,815</b>	87,129
Total comprehensive income for the year	<b>122,869</b>	106,347
Gift aid distribution to parent charity	<b>(106,347)</b>	(80,661)
	<b>£ 129,337</b>	£ 112,815

The aggregate of the assets, liabilities and funds was:

	<b>2017 £</b>	<i>2016 as restated £</i>
Debtors	<b>30,288</b>	12,747
Cash at bank and in hand	<b>344,032</b>	624,872
Creditors	<b>(244,883)</b>	(524,704)
<b>Capital and reserves at the year end (including £100 share capital)</b>	<b>£ 129,437</b>	£ 112,915



As detailed in Note 1.4, the previously accrued gift aid payments from the subsidiary undertaking have been removed. The impact of this adjustment to prior year figures of Appian Trading Limited is shown below.

<b>Impact on equity</b>	2016	2015
	£	£
Equity balances as previously stated	6,468	6,468
Accrued donation to parent Charity removed	<u>106,347</u>	<u>80,661</u>
Equity balances as restated	<u>£ 112,815</u>	<u>£ 87,129</u>
 <b>Impact on income and expenditure account</b>	 2016	
	£	
Profit for the year as previously stated	-	
Accrued donation to parent Charity removed	<u>106,347</u>	
Profit for the year as restated	<u>£ 106,347</u>	

## 11. PARENT CHARITY

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

	2017	2016
	£	as restated £
Total income	<u>2,177,207</u>	<u>2,177,661</u>
Net movement in funds	<u>175,175</u>	<u>178,887</u>

As detailed in Note 1.4, the previously accrued gift aid payments from the subsidiary undertaking have been removed. The impact of this adjustment to prior year figures for the parent charity only is shown below.

<b>Impact on funds</b>	2016	2015
	£	£
Fund balances as previously stated	3,976,671	3,772,098
Accrued donation from subsidiary undertaking removed	<u>(106,347)</u>	<u>(80,661)</u>
Fund balances as restated	<u>£ 3,870,324</u>	<u>£ 3,691,437</u>
 <b>Impact on statement of financial activities</b>	 2016	
	£	
Net movement in funds as previously stated	204,573	
Accrued donation from subsidiary undertaking (re 2016 surplus) removed	<u>(106,347)</u>	
Donation from subsidiary undertaking (re 2015 surplus) added	<u>80,661</u>	
Net movement in funds as restated	<u>£ 178,887</u>	

## 12. DEBTORS

	Group 2017	Group 2016	Charity 2017	Charity 2016 <i>as restated</i>
	£	£	£	£
Trade debtors	36,717	60,119	33,679	54,626
Prepayments	57,786	45,004	30,536	37,750
Other debtors	90,180	94,836	90,180	94,836
Taxation receivable (VAT)	39,578	29,982	39,980	29,982
Due from subsidiary inc Gift Aid	-	-	156,352	459,506
Branch debtors	10,444	13,839	10,444	13,839
	<b>£ 234,705</b>	<b>£ 243,780</b>	<b>£ 361,171</b>	<b>£ 690,539</b>

## 13. CREDITORS:

### AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Mortgage	19,375	19,027	19,375	19,027
Trade creditors	188,085	174,556	100,403	113,319
Branch creditors	3,038	4,852	3,038	4,852
Taxes and social security	29,255	37,349	29,255	33,135
Pension costs creditor	5,821	-	5,821	-
Other creditors	16,134	33,871	16,387	34,124
Deferred income	111,790	102,901	111,090	102,901
Accruals	37,014	36,067	37,014	36,067
	<b>£ 410,512</b>	<b>£ 408,623</b>	<b>£ 322,383</b>	<b>£ 343,425</b>

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
<b>Deferred income</b>				
Balance at 1 January	102,901	115,493	102,901	109,466
Amount released from previous years	(102,901)	(115,493)	(102,901)	(109,466)
Amount deferred in the year	111,790	102,901	111,090	102,901
Balance at 31 December	<b>£ 111,790</b>	<b>£ 102,901</b>	<b>£ 111,090</b>	<b>£ 102,901</b>

#### 14. CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR

The charity holds a loan from Unity Trust. The loan is secured by a legal charge over the property and represents 8.4% of the building cost. The loan is repayable in full by October 2028 and payments are made in instalments. Interest is charged at 1.25% per annum over the bank's base rate.

	<b>Group 2017</b>	<i>Group 2016</i>	<b>Charity 2017</b>	<i>Charity 2016</i>
	£	£	£	£
The mortgage is repayable as follows:				
Between one and five years	<b>78,950</b>	<i>77,532</i>	<b>78,950</b>	<i>77,532</i>
After five years	<b>117,417</b>	<i>136,835</i>	<b>117,417</b>	<i>136,835</i>
Total due in over one year	<b>196,367</b>	<i>214,367</i>	<b>196,367</b>	<i>214,367</i>
Due within one year or on demand	<b>19,375</b>	<i>19,027</i>	<b>19,375</b>	<i>19,027</i>
	<b>£ 215,742</b>	<i>£ 233,394</i>	<b>£ 215,742</b>	<i>£ 233,394</i>

#### 15. STATEMENT OF FUNDS

	<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers and gains</b>	<b>Carried forward</b>
	£	£	£	£	£
<b>Restricted funds:</b>					
1. CIHT Foundation Fund	<b>57,305</b>	<b>13,137</b>	<b>(20,930)</b>	-	<b>49,512</b>
2. STUE Project Fund	<b>241</b>	-	<b>(241)</b>	-	-
3. Hong Kong Branch Fund	<b>35,558</b>	<b>21,175</b>	<b>(21,352)</b>	-	<b>35,381</b>
4. Diversity project	<b>3,998</b>	-	-	-	<b>3,998</b>
5. Motorway Archive Trust	<b>4,924</b>	-	<b>(1,638)</b>	-	<b>3,286</b>
<b>Total restricted funds</b>	<b>102,026</b>	<b>34,312</b>	<b>(44,161)</b>	<b>£ Nil</b>	<b>92,177</b>

- 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 Street and Transport in the Urban Environment (STUE) Fund was set up to receive grant funds to develop future publications in the field of sustainable transport.
- 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 2018 to support marketing of an event at which we will be promoting use of toolkit by employers.
- The Motorway Archive Trust fund is used to maintain its archives.

	Brought forward £	Income £	Expenditure £	Transfers and gains £	Carried forward £
<b>Designated funds:</b>					
1. Database and website	-	-	-	281,421	281,421
2. IT Development	355,012	-	-	(236,842)	118,170
3. Refurbishment	16,880	-	(7,157)	-	9,723
4. Member training & professional development	54,025	-	(21,391)	15,000	47,634
5. Research	45,000	-	-	70,000	115,000
6. Technical projects	45,000	-	-	(45,000)	-
7. Mortgage	15,000	-	-	-	15,000
8. Income diversification	-	-	-	100,000	100,000
<b>Total designated funds</b>	<b>£ 530,917</b>	<b>£ Nil</b>	<b>£ (28,548)</b>	<b>£ 184,579</b>	<b>£ 686,948</b>

#### Purposes of designated funds

1. Database and website. A transfer has been made into the fund to represent the amount spent in the year on the database and website.
2. IT development. This fund has been set up to cover investment in web, finance systems and equipment and includes new or refreshed website, events software and mailing software.
3. Refurbishment. This fund covers the renovation and replacement of facilities and equipment for @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.
4. Member training & professional development. This fund has been set up to investigate member training needs and options for training delivery.
5. Research. This fund has been set up to build capacity to research emerging issues in areas of policy and technical resilience. This encompasses the communication and dissemination of research results and putting into the public domain as appropriate.
6. Technical projects. This is to fund projects in the policy and technical areas.
7. Mortgage. This is a sinking fund against the mortgage liability.
8. Income diversification. A fund to enable the research and development of activities that might be undertaken by the Institution as a means of diversifying sources of revenue

A three year programme for utilisation of designated funds in 2017 to 2018 was agreed by Trustees at their meeting in March 2017 and performance taken into account at the year end in formulating the CIHT business plan for the period 2018 to 2020.

**SUMMARY OF FUNDS IN THE YEAR**

	Brought forward 1 January 2017	Income	Expenditure	Transfers and gains	Carried forward 31 December 2017
	£	£	£	£	£
Total general funds	3,350,196	2,521,077	(2,375,218)	(100,344)	3,395,711
Designated funds	530,917	-	(28,548)	184,579	686,948
Total unrestricted funds	3,881,113	2,521,077	(2,403,766)	84,235	4,082,659
Restricted funds	102,026	34,312	(44,161)	-	92,177
Total funds	<u>£ 3,983,139</u>	<u>£ 2,555,389</u>	<u>£ (2,447,927)</u>	<u>£ 84,235</u>	<u>£ 4,174,836</u>

**SUMMARY OF FUNDS IN THE PRIOR YEAR**

	Brought forward 1 January 2016	Income	Expenditure	Transfers and gains	Carried forward 31 December 2016
	£	£	£	£	£
Total general funds	3,291,810	2,528,854	(2,398,644)	(71,824)	3,350,196
Designated funds	405,621	-	(24,704)	150,000	530,917
Total unrestricted funds	3,697,431	2,528,854	(2,423,348)	78,176	3,881,113
Restricted funds	81,135	63,275	(42,384)	-	102,026
Total funds	<u>£ 3,778,566</u>	<u>£ 2,592,129</u>	<u>£ (2,465,732)</u>	<u>£ 78,176</u>	<u>£ 3,983,139</u>

**16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

CURRENT YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	2,150,424	-	2,150,424
Intangible fixed assets	281,421	-	-	281,421
Investments	-	941,612	-	941,612
Net current assets	405,527	500,042	92,177	997,746
Creditors due after more than one year	-	(196,367)	-	(196,367)
	<u>£ 686,948</u>	<u>£ 3,395,711</u>	<u>£ 92,177</u>	<u>£ 4,174,836</u>

PRIOR YEAR	Designated funds	General funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	-	2,196,774	-	2,196,774
Investments	-	607,399	-	607,399
Net current assets	530,917	760,390	102,026	1,393,333
Creditors due after more than one year	-	(214,367)	-	(214,367)
	<u>£ 530,917</u>	<u>£ 3,350,196</u>	<u>£ 102,026</u>	<u>£ 3,983,139</u>

## **17. RELATED PARTY DISCLOSURES**

Russell Bennett is a CIHT Trustee and is a Director at WSP which is a corporate partner of CIHT who have sponsored CIHT Awards.

David Black is a CIHT Trustee. He is also a Strategic Development Director at Galliford Try Infrastructure Limited which is a corporate partner of CIHT who have sponsored awards in CIHT Regions.

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

John Fleming is a CIHT Council Member and is an Executive Director of Operations at Jacobs which is a corporate partner of CIHT.

David Gibby is a CIHT Council Member and, until the end of July 2017, was a Director of Ringway Infrastructure Services Limited, which is a corporate partner of CIHT and regularly sponsor CIHT events.

Nick Hopcraft is a CIHT Council Member and Head of Commercial Strategy at Highways England who support / sponsor CIHT from time to time.

Matthew Lugg is a CIHT Trustee and is a Director at WSP which is a corporate partner of CIHT who have sponsored CIHT Awards.

Glenn Lyons is a CIHT Trustee and Associate Dean and Professor at University of West of England and is 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.

Nick Shires is a CIHT Council Member and is a Commercial Director of Tarmac Trading Ltd which is a corporate partner of CIHT who have sponsored CIHT Awards.

Dana Skelley is a CIHT Trustee. She is also a Director of Skanska which is a corporate partner of CIHT who sponsor CIHT from time to time.

CIHT did not purchase goods or services from the organisations outlined above in the year or the previous year.