



**The Chartered Institution of  
Highways & Transportation  
Report and financial statements  
For the year ended 31 December 2018**

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 2018**

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## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

### TRUSTEES' REPORT

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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 2018.

### 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 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. Student and Apprenticeship membership is encouraged and provided free of charge. 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.

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 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 2018. 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, 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.

2018 saw 94 candidates pass their professional qualifications. 39 candidates gained CEng, 27 gained IEng, 5 gained EngTech and 23 achieved the Transport Planning Professional Qualification.



## **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 Brexit, network resilience, mobility, infrastructure funding, diversity and inclusion and skills provision for the industry.

CIHT responded to 13 consultation documents from governments across the UK. This resulted in evidence being given to the Transport Select committee on local roads funding and governance. The Institution maintained its close links with other key stakeholders on a variety of issues and issued media/policy briefings on topics such as Productivity, Local Transport Funding, Diversity and Inclusion and Collaboration.

CIHT continued to promote its Diversity and Inclusion toolkit and Charter. 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 has continued to maintain its level of engagement with politicians/key stakeholders on a number of key issues 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 Innovation, Education, and Road Construction and Maintenance and technical articles on a range of topics including Sustainable Transport, Future Vehicles, 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 395 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.

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)



## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

### TRUSTEES' REPORT

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CIHT has invested in the development of a new integrated website and membership database which went live in September 2018. This is enabling 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 2018, CIHT's regions ran over 254 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.

In November 2018, the inaugural Young Professionals conference was held in a venue in Leeds and attended by over 200 delegates. Focused on the topic "The Future of Transport", the event featured speakers from a variety of bodies including Google and Uber and generated very positive feedback from attendees.

#### Events

Britannia Walk organised seminars that covered themes such as 'Better Planning for Better Transport', 'Future of Local Roads Funding and Governance' and 'More Data, More Safety'.

Over 200 delegates attended the Institution's fifth Annual Conference in March 2018 and focussed on 'Change, innovation and the future of highways'. The Conference was a major success with speakers from Transport Scotland, Highways England, Kier, Transport for the North and Skanska Civil Engineering. 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 over 400 guests in June 2018 at the De Vere Grand Connaught Rooms, London. The Awards Dinner is a culmination of a competition based across 14 separate categories which, in 2018, 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.

## **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 have 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 2019. 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 reported 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

Surplus funds are 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)

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 2018, the value in our average investment holding during the year decreased by £12,447 (2017: gain of £84,235) reflecting a loss of 1.3%.



## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

### TRUSTEES' REPORT

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#### 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 £967k based on the 2019 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 2018 free reserves (which includes designated funds and is defined as Current Assets plus Investments less Current Liabilities and less Restricted Funds) stood at £1,451,666 (2017: £1,847,181). Excluding designated funds (set aside for specific purposes and outlined in Note 15 of the financial statements), net free reserves totalled £1,090,990 (2017: £1,441,654).

#### 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 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 became effective from May 2018. In 2018 CIHT engaged the consultant Blackmores to support a programme of work to ensure appropriate actions were taken to comply with GDPR. Progress in delivering a GDPR action plan was overseen by the Audit Committee and has been reported on regularly to Trustees.





## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

### TRUSTEES' REPORT

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#### 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

A handwritten signature in black ink that reads 'Matthew Lugg'.

Matthew Lugg

President of CIHT and Chair of the Board of Trustees

Date: 15 May 2019





## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

## 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 20 June 2018, 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)

The members of the Board of Trustees, who were Trustees of the charity from 20 June 2018, are shown below

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

\*From 19 September 2018, J Pert became a member of the Board of Trustees and Trustee of the charity following the resignation of D Skelley.

### **Chief Executive and Secretary**

Sue Percy

### **Auditor**

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



**REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2018**  
**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**

Henderson Global Investors  
PO Box 9023  
Chelmsford  
CM99 2WB

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



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION

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### Opinion

We have audited the financial statements of The Chartered Institution of Highways and Transportation (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the group and parent charitable company 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's and of the parent charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Charity Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 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's or the 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.





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

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### Other information

The Trustees are responsible for the 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. 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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires 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; or
- 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's and the 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 group or the parent 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 144 of the Charities Act 2011 and report in accordance with regulations made under that 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
- 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.



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

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### Use of our report

This report is made solely to the charity's members 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 on section 154 of that Act. Our audit work has been undertaken so that we might state to the charity members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Sayer Vincent LLP', with a horizontal line underneath.

Date: 31 May 2019

for and on behalf of 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 2018

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
<b>Income</b>					
Donations and legacies		-	18,781	18,781	13,137
Income from Charitable activities:					
Member activities	2	1,975,227	19,957	1,995,184	1,914,878
Education income		65,909	5,000	70,909	48,636
Publication sales		86,576	-	86,576	91,279
National Conference		39,107	-	39,107	36,865
		<u>2,166,819</u>	<u>24,957</u>	<u>2,191,776</u>	<u>2,091,658</u>
Other trading activities:					
Appian Trading		456,479	-	456,479	447,243
Investment income receivable		1,464	-	1,464	3,351
		<u>2,624,762</u>	<u>43,738</u>	<u>2,668,500</u>	<u>2,555,389</u>
<b>Expenditure</b>					
Expenditure on Charitable activities:					
Membership		1,285,915	36,992	1,322,907	1,198,322
Education		310,034	2,750	312,784	262,635
Publications		500,884	-	500,884	498,268
National Conference		19,055	-	19,055	20,683
Motorway Archive Trust		599	910	1,509	2,192
		<u>2,116,487</u>	<u>40,652</u>	<u>2,157,139</u>	<u>1,982,100</u>
Expenditure on raising funds:					
Trading & collecting subscriptions		458,623	-	458,623	465,827
		<u>2,575,110</u>	<u>40,652</u>	<u>2,615,762</u>	<u>2,447,927</u>
<b>Net income before gains on investments</b>		<b>49,652</b>	<b>3,086</b>	<b>52,738</b>	<b>107,462</b>
Net gains/ (losses) on investments	9	(12,447)	-	(12,447)	84,235
<b>Net income / Net movement in funds</b>		<b>37,205</b>	<b>3,086</b>	<b>40,291</b>	<b>191,697</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		4,082,659	92,177	4,174,836	3,983,139
<b>Total funds carried forward</b>	15	<u>£ 4,119,864</u>	<u>£ 95,263</u>	<u>£ 4,215,127</u>	<u>£ 4,174,836</u>

All of the above results are derived from continuing activities.

The annexed notes form part of these financial statements



# THE CHARTERED INSTITUTION OF HIGHWAYS & TRANSPORTATION

## BALANCE SHEETS

As at 31 December 2018

	Note	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Fixed assets</b>					
Intangible assets	7	572,334	281,421	572,334	281,421
Tangible assets	8	2,095,865	2,150,424	2,095,865	2,150,424
Investments	9	929,165	941,612	929,265	941,712
		<u>3,597,363</u>	<u>3,373,457</u>	<u>3,597,463</u>	<u>3,373,557</u>
<b>Current assets</b>					
Stock		-	48	-	48
Debtors	12	177,940	234,705	479,676	361,171
Cash at bank and in hand		777,174	1,173,505	244,086	829,473
		<u>955,114</u>	<u>1,408,258</u>	<u>723,762</u>	<u>1,190,692</u>
<b>Creditors: amounts falling due within one year</b>	13	(337,350)	(410,512)	(247,620)	(322,383)
<b>Net current assets</b>		<u>617,764</u>	<u>997,746</u>	<u>476,142</u>	<u>868,309</u>
<b>Creditors: amounts falling due after more than one year:</b>	14	-	(196,367)	-	(196,367)
<b>NET ASSETS</b>		<u>£ 4,215,127</u>	<u>£ 4,174,836</u>	<u>£ 4,073,605</u>	<u>£ 4,045,499</u>
<b>Funds</b>					
Unrestricted funds:					
General funds		3,186,854	3,395,711	3,045,332	3,266,374
Designated funds		933,010	686,948	933,010	686,948
Total unrestricted funds:		4,119,864	4,082,659	3,978,342	3,953,322
Restricted funds		95,263	92,177	95,263	92,177
<b>TOTAL FUNDS</b>	15	<u>£ 4,215,127</u>	<u>£ 4,174,836</u>	<u>£ 4,073,605</u>	<u>£ 4,045,499</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 15 May 2019 and signed on their behalf by:-

Matthew Lugg  
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 2018**

	2018		2017	
	£	£	£	£
<b>Cash flows from operating activities:</b>				
Net income for the year (as per the statement of financial activities)	40,291		191,697	
Adjustments for:				
Depreciation charges	55,380		55,733	
Amortisation charges	40,596		-	
Dividends and interest from investments	(1,464)		(3,351)	
Decrease in stocks	48		703	
Decrease in debtors	56,765		9,075	
(Decrease) in creditors	(53,787)		(16,111)	
<b>Net cash (used in)/ provided by operating activities</b>		137,829		237,746
<b>Cash flows from investing activities:</b>				
Dividends and interest from investments	1,464		3,351	
Purchase of tangible fixed assets	(1,482)		(9,383)	
Loss on disposal of assets	661		-	
Purchase of intangible assets	(331,509)		(281,421)	
Losses/ (gains) on investments	12,447		(84,235)	
Proceeds from sale of investments	-		171,022	
Purchase of investments	-		(421,000)	
<b>Net cash (used in) investing activities</b>		(318,419)		(621,666)
<b>Cash flows (used in) financing activities:</b>				
Repayment of mortgage	(215,742)		-	
<b>Net cash (used in) financing activities</b>		(215,742)		-
Change in cash and cash equivalents in the year		(396,332)		(383,920)
Cash and cash equivalents at the beginning of the year		1,173,505		1,557,425
<b>Cash and cash equivalents at the end of the year</b>		<u>£ 777,174</u>		<u>£ 1,173,505</u>

The annexed notes form part of these financial statements



## **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
----------------------	---------

#### 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:

	<b>Group 2018</b>	<i>Group 2017</i>	<b>Charity 2018</b>	<i>Charity 2017</i>
	£	£	£	£
Financial assets measured at fair value	<b>929,165</b>	941,612	<b>929,265</b>	941,712
Financial assets measured at amortised cost	<b>112,375</b>	176,919	<b>440,272</b>	330,635
Financial liabilities measured at amortised cost	<b>281,093</b>	514,464	<b>191,363</b>	427,035

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 (2017: £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 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Member subscriptions	1,355,798	-	1,355,798	1,296,018
Corporate partners	111,968	-	111,968	98,625
Regions & Nations	229,102	19,957	249,059	242,393
Secretariat fees	243,185	-	243,185	244,204
Other	35,174	-	35,174	33,638
	<u>£ 1,975,227</u>	<u>£ 19,957</u>	<u>£ 1,995,184</u>	<u>£ 1,914,878</u>

In 2017, £21,175 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 £	2018 £	2017 £
Membership	435,012	405,858	482,037	1,322,907	1,198,322
Education	127,727	43,522	141,535	312,784	262,635
Publications	118,867	250,300	131,717	500,884	498,268
National Conference	9,039	-	10,016	19,055	20,683
Motorway Archive Trust	284	910	315	1,509	2,192
	<u>690,929</u>	<u>700,590</u>	<u>765,620</u>	<u>2,157,139</u>	<u>1,982,100</u>
Fundraising Appian					
Trading & collecting					
subscriptions	103,950	239,486	115,187	458,623	465,827
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>	<u>£ 2,447,927</u>

### PRIOR YEAR

	Staff costs £	Direct costs £	Support costs £	2017 £
Membership	412,471	328,945	456,906	1,198,322
Education	112,840	24,799	124,996	262,635
Publications	121,217	242,775	134,276	498,268
National Conference	9,813	-	10,870	20,683
Motorway Archive Trust	263	1,638	291	2,192
	<u>656,604</u>	<u>598,157</u>	<u>727,339</u>	<u>1,982,100</u>
Fundraising Appian				
Trading & collecting				
subscriptions	112,845	227,980	125,002	465,827
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>

#### 4. NET INCOME FOR THE YEAR

This is stated after charging:

	2018	2017
	£	£
Depreciation	55,380	55,733
Amortisation	40,596	-
Trustees' expenses	12,415	11,592
Auditor remuneration (excluding VAT):		
Audit - current year	11,100	10,800

The Trustees received no remuneration in the year.

Trustees' expenses represent the costs of travel and subsistence for 8 trustees (2017: 10).

#### 5. DIRECT SUPPORT COSTS

	2018	2017
	£	£
Governance costs:		
Audit fee	11,100	10,800
Legal & professional	17,193	13,047
Trustees' meetings	21,680	23,791
Council, committees etc	28,553	32,590
	78,526	80,228
Other support costs:		
Telephone, power, cleaning, rates	53,401	52,645
Building maintenance	23,651	23,417
Insurance	7,534	7,716
Printing, postage & stationery	12,929	14,684
Computer & internet	85,740	73,729
Subscriptions	6,414	8,433
Irrecoverable VAT, payroll processing & bank charges	50,646	49,184
Depreciation	55,380	55,733
Loss on disposal of assets	661	-
Accountancy	48,300	47,160
PR & marketing	36,106	54,262
	£ 459,288	£ 467,191

## 6. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	1,122,190	1,059,598
Social security costs	112,954	108,498
Pension contributions	43,443	39,521
Other staff costs, recruitment and training	63,324	33,847
	<u>1,341,911</u>	<u>1,241,464</u>
Less staff costs capitalised on database and website development (see Note 7)	(125,513)	(86,865)
Total staff cost included as expenditure	<u>£ 1,216,398</u>	<u>£ 1,154,599</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 employer National Insurance contributions, were £371,385 (2017: £399,318).

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:

	2018	2017
	No.	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:

	2018	2017
	29.2	26.8

## 7. INTANGIBLE ASSETS - CHARITY AND GROUP

	Database and website £	Total £
<b>Cost</b>		
At 1 January 2018	281,421	281,421
Additions	<u>331,509</u>	<u>331,509</u>
At 31 December 2018	<u>612,930</u>	<u>612,930</u>
<b>Amortisation</b>		
At 1 January 2018	-	-
Charge for the year	<u>40,596</u>	<u>40,596</u>
At 31 December 2018	<u>40,596</u>	<u>40,596</u>
<b>Net book value</b>		
At 31 December 2018	<u>£ 572,334</u>	<u>£ 572,334</u>
At 31 December 2017	<u>£ 281,421</u>	<u>£ 281,421</u>



## 8. TANGIBLE FIXED ASSETS - CHARITY AND GROUP

	Long leasehold property £	Office equipment & furniture £	Computer equipment & software £	Total £
<b>Cost</b>				
At 1 January 2018	2,564,585	175,653	56,664	2,796,902
Additions	-	1,482	-	1,482
Disposals	-	-	(1,945)	(1,945)
At 31 December 2018	<u>2,564,585</u>	<u>177,135</u>	<u>54,719</u>	<u>2,796,439</u>
<b>Depreciation</b>				
At 1 January 2018	428,140	169,016	49,322	646,478
Charge for the year	47,136	3,203	5,041	55,380
On disposals	-	-	(1,284)	(1,284)
At 31 December 2018	<u>475,276</u>	<u>172,219</u>	<u>53,079</u>	<u>700,574</u>
<b>Net book value</b>				
At 31 December 2018	<u>£ 2,089,309</u>	<u>£ 4,916</u>	<u>£ 1,640</u>	<u>£ 2,095,865</u>
At 31 December 2017	<u>£ 2,136,445</u>	<u>£ 6,637</u>	<u>£ 7,342</u>	<u>£ 2,150,424</u>

## 9. INVESTMENTS

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Market Value</b>				
At 1 January	941,612	607,399	941,712	607,499
Additions at cost	-	421,000	-	421,000
Disposal proceeds	-	(171,022)	-	(171,022)
Net gains	(12,447)	84,235	(12,447)	84,235
At 31 December	<u>£ 929,165</u>	<u>£ 941,612</u>	<u>£ 929,265</u>	<u>£ 941,712</u>
Historic cost at the year end	<u>£ 643,384</u>	<u>£ 643,384</u>	<u>£ 643,484</u>	<u>£ 643,484</u>
Investments comprise:				
	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Henderson UK Index Unit Fund (Acc)	158,153	175,199	158,153	175,199
CCLA COIF Charities Investment Fund	771,012	766,413	771,012	766,413
Investment in subsidiary undertaking	-	-	100	100
	<u>£ 929,165</u>	<u>£ 941,612</u>	<u>£ 929,265</u>	<u>£ 941,712</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:

	2018 £	2017 £
Turnover	495,946	484,529
Cost of sales	(360,892)	(361,660)
Surplus for the period	<u>£ 135,054</u>	<u>£ 122,869</u>

### Changes in equity:

	2018 £	2017 £
Total equity brought forward	129,337	112,815
Total comprehensive income for the year	135,054	122,869
Gift aid distribution to parent charity	(122,869)	(106,347)
	<u>£ 141,522</u>	<u>£ 129,337</u>

The aggregate of the assets, liabilities and funds was:

	2018 £	2017 £
Debtors	34,572	30,288
Cash at bank and in hand	533,089	344,032
Creditors	(426,039)	(244,883)
<b>Capital and reserves at the year end (including £100 share capital)</b>	<u>£ 141,622</u>	<u>£ 129,437</u>

## 11. PARENT CHARITY

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

	2018 £	2017 £
Total income	<u>2,295,423</u>	<u>2,177,207</u>
Net movement in funds	<u>28,106</u>	<u>175,175</u>

## 12. DEBTORS

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	85,315	36,717	76,904	33,679
Prepayments	65,565	57,786	39,404	30,536
Other debtors	13,358	90,180	13,358	90,180
Taxation receivable (VAT)	-	39,578	-	39,980
Due from subsidiary inc Gift Aid	-	-	336,308	156,352
Branch debtors	13,702	10,444	13,702	10,444
	<u>£ 177,940</u>	<u>£ 234,705</u>	<u>£ 479,676</u>	<u>£ 361,171</u>

## 13. CREDITORS:

### AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Mortgage	-	19,375	-	19,375
Trade creditors	170,999	188,085	81,268	100,403
Branch creditors	2,328	3,038	2,329	3,038
Taxes and social security	36,169	29,255	36,169	29,255
Pension costs creditor	6,451	5,821	6,451	5,821
Other creditors	16,305	16,134	16,305	16,387
Deferred income	56,257	111,790	56,257	111,090
Accruals	48,841	37,014	48,841	37,014
	<u>£ 337,350</u>	<u>£ 410,512</u>	<u>£ 247,620</u>	<u>£ 322,383</u>

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
<b>Deferred income</b>				
Balance at 1 January	111,790	102,901	111,090	102,901
Amount released from previous years	(111,790)	(102,901)	(111,090)	(102,901)
Amount deferred in the year	56,257	111,790	56,257	111,090
Balance at 31 December	<u>£ 56,257</u>	<u>£ 111,790</u>	<u>£ 56,257</u>	<u>£ 111,090</u>

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

The charity held a loan from Unity Trust which was repaid in full in 2018.

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
The mortgage is repayable as follows:				
Between one and five years	-	78,950	-	78,950
After five years	-	117,417	-	117,417
Total due in over one year	-	196,367	-	196,367
Due within one year or on demand	-	19,375	-	19,375
	<u>£ Nil</u>	<u>£ 215,742</u>	<u>£ Nil</u>	<u>£ 215,742</u>



# 15. STATEMENT OF FUNDS - CURRENT YEAR

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

## 15. 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. Mortgage. A sinking fund against the mortgage liability which was fully repaid in 2018.
7. 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.
8. Diversity & Inclusion. To provide funding to support progression of our developmental work in this area.
9. 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 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	<u>£ 4,174,836</u>	<u>£ 2,668,500</u>	<u>£ (2,615,762)</u>	<u>£ (12,447)</u>	<u>£ 4,215,127</u>

# 16. STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers and gains £	Carried forward £
<b>Restricted funds:</b>					
CIHT Foundation Fund	57,305	13,137	(20,930)	-	49,512
STUE Project Fund	241	-	(241)	-	-
Hong Kong Branch Fund	35,558	21,175	(21,352)	-	35,381
Diversity project	3,998	-	-	-	3,998
Motorway Archive Trust	4,924	-	(1,638)	-	3,286
<b>Total restricted funds</b>	<u>102,026</u>	<u>34,312</u>	<u>(44,161)</u>	<u>£ Nil</u>	<u>92,177</u>
<b>Designated funds:</b>					
IT Development	355,012	-	-	(236,842)	118,170
Refurbishment	16,880	-	(7,157)	-	9,723
Member training & professional development	54,025	-	(21,391)	15,000	47,634
Research (Policy & Technical)	45,000	-	-	70,000	115,000
Technical projects	45,000	-	-	(45,000)	-
Mortgage	15,000	-	-	-	15,000
Diversification of Income	-	-	-	100,000	100,000
<b>Total revenue funds</b>	<u>530,917</u>	<u>-</u>	<u>(28,548)</u>	<u>(96,842)</u>	<u>405,527</u>
<b>Capital funds</b>					
Database and website	-	-	-	281,421	281,421
<b>Total designated funds</b>	<u>£ 530,917</u>	<u>£ Nil</u>	<u>£ (28,548)</u>	<u>£ 184,579</u>	<u>£ 686,948</u>

## SUMMARY OF FUNDS IN THE PRIOR 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	<u>3,881,113</u>	<u>2,521,077</u>	<u>(2,403,766)</u>	<u>84,235</u>	<u>4,082,659</u>
Restricted funds	<u>102,026</u>	<u>34,312</u>	<u>(44,161)</u>	<u>-</u>	<u>92,177</u>
<b>Total funds</b>	<u>£ 3,983,139</u>	<u>£ 2,555,389</u>	<u>£ (2,447,927)</u>	<u>£ 84,235</u>	<u>£ 4,174,836</u>



# 17. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

CURRENT 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>

PRIOR 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>

# 18. STATEMENT OF FINANCIAL ACTIVITIES - PRIOR YEAR

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
<b>Income</b>			
Donations and legacies	-	13,137	13,137
Income from Charitable activities:			
Member activities	1,893,703	21,175	1,914,878
Education income	48,636	-	48,636
Publication sales	91,279	-	91,279
National Conference	36,865	-	36,865
	<u>2,070,483</u>	<u>21,175</u>	<u>2,091,658</u>
Other trading activities:			
Appian Trading	447,243	-	447,243
Investment income receivable	3,351	-	3,351
	<u>2,521,077</u>	<u>34,312</u>	<u>2,555,389</u>
<b>Total income</b>			
<b>Expenditure</b>			
Expenditure on Charitable activities:			
Membership	1,155,799	42,523	1,198,322
Education	262,635	-	262,635
Publications	498,268	-	498,268
National Conference	20,683	-	20,683
Motorway Archive Trust	554	1,638	2,192
	<u>1,937,939</u>	<u>44,161</u>	<u>1,982,100</u>
Expenditure on raising funds:			
Trading & collecting subscriptions	465,827	-	465,827
	<u>2,403,766</u>	<u>44,161</u>	<u>2,447,927</u>
<b>Total expenditure</b>			
<b>Net income before gains on investments</b>	117,311	(9,849)	107,462
Net gains on investments	84,235	-	84,235
	<u>201,546</u>	<u>(9,849)</u>	<u>191,697</u>
<b>Net income / Net movement in funds</b>			
<b>Reconciliation of funds</b>			
Total funds brought forward	3,881,113	102,026	3,983,139
<b>Total funds carried forward</b>	<u>£ 4,082,659</u>	<u>£ 92,177</u>	<u>£ 4,174,836</u>

## 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

**Susan Giah** is a CIHT Council Member and is a 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 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 Sponsor, HS2 Delivery team, 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 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 Trustee. She is also a Director 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 Senior Business Development Manager at **Amey** who are a corporate partner and have sponsored CIHT events and activities.

**Andrew Warrington** is a CIHT Trustee and was an Associate Director at **Atkins** until 1<sup>st</sup> October 2018 which is a corporate partner of CIHT who have sponsored CIHT events.

**Sue Sharland** is Chair of the Audit Committee and a Trustee of the Road Safety Foundation, a Trustee of iRAP and a Director of their subsidiary RASL.

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