

SummitSkills

The Sector Skills Council for Building Services Engineering

Annual report and financial statements

For the year ended 31 March 2007

SummitSkills Limited

a company registered in England and limited by guarantee - **company no. 4575759**
registered in England as a charity - **no.1116777**

Company information

Company registration number	4575759
Charity registration number	1116777
Registered office	Vega House Opal Drive Fox Milne Milton Keynes Buckinghamshire MK15 0DF
Chairman	Simon J Bartley
Board of directors	Brian Calcott John Fraser Andrew C P Gooding Mary Gowing Thomas J Hardacre Diane T Johnson R Stuart Lyon Graham P Manly Hamish E McDonald Stephen G Nicholls R David Stevenson William H Wright
Note SummitSkills is a company limited by guarantee and a registered charity, governed by its Memorandum and Articles of Association. The directors of the charity are its trustees for the purposes of charity law. In this report they are collectively referred to as the directors throughout.	
Company Secretary	Anthony J Smith
Executive team	Keith M Marshall Chief Executive Officer Lindsay C Gillespie Development Director Cathryn Hickey Operations Director Anthony J Smith Finance Director
Bankers	Barclays Bank Plc, Kendal
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW
Solicitors	Silverman and Sherliker LLP 7 Bath Place, London, EC2A 3DR

Index

Directors' report	3 - 11
Report of the independent auditor	12 - 13
Principal accounting policies	14 - 16
Statement of financial activities	17
Balance sheet	18
Notes to the financial statements	19 - 24

Directors' report

The directors present their report and the financial statements of the company for year ended 31 March 2007.

Principal activities

SummitSkills is both a private company limited by guarantee and a charity. It is governed by its Memorandum and Articles of Association which were revised during the course of the year in accordance with advice received from the Charity Commission. The objects for which SummitSkills is established are as follows:

To promote commerce and industry, in particular the electrotechnical, heating, ventilating, air conditioning, refrigeration, plumbing, gas services and other related industries ("the sector") for the public benefit by:

- a. promoting and advancing the training and education of persons employed or intending to be employed in the sector, including identifying training needs, developing apprenticeships, qualifications, educational programmes and related occupational standards and competency frameworks;*
- b. taking steps to alleviate any skills gaps and anticipate future training needs within the sector;*
- c. taking steps to improve productivity and the efficiency and effectiveness of the sector in providing services to the public;*
- d. promoting research into skill levels and skills requirements within the sector and the publication of the useful results of that research for the public benefit.*

Background

SummitSkills is the Sector Skills Council (SSC) for Building Services Engineering and is UK wide in its operation. It was licensed by the Sector Skills Development Agency (SSDA) in December 2003 and is one of 25 SSCs.

SummitSkills is an employer led organisation supported by five main Trade Associations in the sector:

- the Electrical Contractors' Association (ECA)
- the Heating and Ventilating Contractors' Association (HVCA)
- the Association of Plumbing and Heating Contractors (APHC)
- the Scottish & Northern Ireland Plumbing Employers' Federation (SNIPEF)
- the Electrical Contractors' Association of Scotland (SELECT).

It also has the support of the Amicus section of Unite the Union - the principal trade union covering the sector as well as the professional bodies active in the sector.

The building services engineering sector covers the electrotechnical industry, the heating, ventilating, air conditioning and refrigeration (HVACR) industry, and the plumbing industry and according to the latest statistics available (Skills Foresight Analysis 2003) represents: -

51,000 businesses: 20,000 Electrotechnical, 11,000 HVACR and 20,000 Plumbing
558,000 employees: 356,000 Electrotechnical, 95,000 HVACR and 107,000 Plumbing

and accounts for approximately 3% of GNP (Gross National Product) with £20bn of work being carried out each year.

The sector currently has approximately 18,000 apprentices in training at any one time.

Governance

The company has a Board of directors who for charitable purposes are the trustees and are also the members. The Board is chaired by a non executive part-time Chairman who is not a director and also has a Company Secretary who is not a director.

Six directors are put forward by the industry Trade Associations (two from each industry: *electrotechnical* (ECA & SELECT), *heating, ventilating, air conditioning & refrigeration* (HVCA) and *plumbing* (APHC & SNIPEF)). One director is put forward by Amicus, one director by the Professional Bodies in the sector and up to four directors are appointed as independent directors following a skills gap analysis and advertisement. A minimum of two-thirds of the Board are employers and over 50% of those represent SMEs (Small and Medium Enterprises).

During the course of the year the Board conducted a survey of board effectiveness and is now reviewing how best to follow this up. In the meantime the induction pack prepared for new directors, giving information on the role and duties of a company director/ charity trustee as well as information on SummitSkills and the sector, is being revised and will be given to all directors and then updated periodically as necessary.

The Board of SummitSkills has two standing Sub-Committees:

- Nominations and Governance sub-committee which reviews nominations to the Board and deals with other matters of a governance nature
- Finance and Audit sub-committee which reports to the Board on the financial state of the company and also acts as an audit committee including in its remit risk management and internal control.

Both sub-committees normally meet quarterly in advance of board meetings.

By using its sub-committees appropriately and by delegating the day to day running of the company to the CEO and executive team the board is able to concentrate on matters of a strategic nature.

SummitSkills also uses the following committees and interest groups to facilitate effective running of the company:

- Management Committee which receives reports from the interest groups (as detailed below) and on the basis of these makes recommendations to the Board. The Management Committee also reviews the Strategic Plan and Business Plan on an annual basis before these are presented to the Board.
- Qualifications and Standards Advisory Group which deals with all aspects relating to the introduction and revision of qualifications and standards within building services engineering.

- Industry Interest Groups (4)
representing the *plumbing, H&V (heating and ventilation), RAC (refrigeration and air-conditioning)* and *electrotechnical* industries respectively.
These groups give employers and other interested parties the opportunity to keep abreast with and feed into the work that SummitSkills is doing in a particular area.
- Sector Interest Groups (2)
namely *Careers and Diversity Interest Group* and the *Manufacturers and Sustainability Interest Group*.
These groups give employers and other interested parties the opportunity to help SummitSkills address relevant cross sector issues.
- Training Groups (9)
These groups give employers, training providers, colleges, funders and other interested parties the opportunity to discuss issues pertaining to vocational training on a regional and national basis and to feed back concerns and suggestions.

Each of the above named committees and groups are scheduled to meet quarterly.

SummitSkills has calculated that the total number of days given to the company by volunteers attending the Board, its sub-committees and the various committees and groups outlined above is in excess of 586 days with a value in the region of £322,000.

Directors

The directors who served the company during the year were as follows:

Brian Calcott
John Fraser (appointed 1st January 2007)
Andrew C P Gooding
Mary Gowing
Thomas J Hardacre
Diane T Johnson (appointed 26th May 2006)
R Stuart Lyon
Graham P Manly
Hamish E McDonald
Stephen G Nicholls
David G Rogers (resigned 31st December 2006)
R David Stevenson
William H Wright

Risk management

The directors have an obligation to consider the risks that the company runs and to ensure that appropriate measures are in place to mitigate those risks. A strategic risk analysis was documented and approved in the autumn of 2005. This was then updated following a review by the Finance and Audit sub-committee in November 2006 and reported to the Board in December 2006. The directors are happy that where residual risk exists there are appropriate systems and procedures in place to manage those risks.

Review of the year

SummitSkills' vision is

"A sector in which investment in workforce development and lifelong learning is made by employers and businesses of all sizes and whose contribution to improved productivity and business performance is recognised throughout."

Our mission is

"To champion opportunities for individuals and organisations to succeed".

In order to build on this SummitSkills has identified five key objective areas as shown below and has developed a strategic plan and business plan around these:

- Alleviate skills gaps
- Improve productivity
- Provide career progression
- Develop a competent workforce
- Champion the sector's skills agenda

In order to help achieve these aims SummitSkills has built up a staff team as shown in the list below. The number of staff increased to 30 during the year but had fallen at the year end to 29 (2006: 28). Staff turnover was 17% (2006:8%)

- **CEO and three executive directors** (4): Largely outward facing as well as giving direction to the company and managing the various teams. Blane Judd left during the year to take up the role of Chief Executive of the IPHE (Institute of Plumbing and Heating Engineers) and was replaced as Operations Director by Cathryn Hickey.
- **Development team** (5): Working on standards, qualifications and apprenticeships with particular regard to revised regulations and new technologies. Also leading the work on diplomas for the 14-19 age range.
- **Research team** (2): Spearheading the research which will feed into the establishment of a Sector Skills Agreement by mid 2008.
- **Communications team** (2): Ensuring that the sector is fully aware of the work that SummitSkills is doing and that the company becomes better known as time goes by.
- **Operations team** (10): Based in the English regions and in each of the devolved administrations in order to effectively engage with employers, manufacturers, training providers, colleges, schools and other interested parties.
- **Business Services Team** (6): Including finance and administration support for the company.

As an organisation promoting training SummitSkills was delighted to be awarded **Investor in People** status during the year.

A full report of the year's activities is included in the SummitSkills' 2006 Annual Review (available on request or to download from the website www.summitskills.org.uk). Some highlights are as follows:

Alleviate skills gaps:

In the summer of 2006 SummitSkills gained approval from the Qualifications and Curriculum Authority for its advanced apprenticeship framework for Building Services Engineering Technicians. Comprising a Level 3 NVQ, BTEC National Certificate and Key Skills, the framework is a significant step forward in developing young people's skills at the intermediate level and allowing employers to draw down funding for apprentice training

SummitSkills is now the sole issuer of apprenticeship completion certificates for apprentices across the sector. Issuing certificates centrally overcomes the fragmentation of the previous system of certification which was carried out by a number of different bodies, giving consistency and rationalisation across the sector.

Improve productivity:

Increasing moves towards the use of renewable sources of energy and environmental technologies have had a major impact on productivity within the building services engineering sector and present one of its greatest challenges. In line with the SummitSkills' Board decision in autumn 2006 to place greater emphasis on issues surrounding renewables, work has gained pace in this important field to make sure the workforce is equipped with the skills needed to take on a new range of tasks.

Good progress has been made on SummitSkills' key project to undertake a review of qualifications and training currently on offer across the range of environmental technologies. Work has been carried out to map the type, availability and relevance of provision and assess its suitability. A website is being developed that will give employers access to comprehensive information to help them identify qualifications and select training courses that are right for their businesses.

Provide career progression:

Work continued apace during the year on the Engineering Diploma and the Construction & the Built Environment Diploma for 14-19 year olds. SummitSkills gathered the views of sector employers to help shape the content of the diplomas and has been working with awarding bodies to define how the programmes will be taught and assessed. Young people gaining the diploma will have developed 'employability skills' and a broad knowledge of the industry that will equip them to enter the workplace or progress to apprenticeships, further or higher education. Employers will benefit from a pool of potential recruits who have a good grounding in what the sector has to offer and are motivated to join it.

Two new NVQs were accredited and made available to those working in the sector during the year. The Building Services Engineering Technology and Project Management NVQs at Levels 3 and 4 offer progression from the skilled trades in each of the sector's four areas into technical/supervisory/managerial posts based in offices or on site. The Level 3 qualification forms part of the technician apprenticeship framework – an important addition to the sector's qualifications structure.

Develop a competent workforce:

Relevant, up-to-date National Occupational Standards (NOS) provide the foundations for developing a competent workforce. SummitSkills has continued to work with trade associations, professional bodies and other stakeholders to ensure these are in place and fit for purpose. Achievements during the year include:

- Production and approval of standards to support Part P of the Building Regulations
- Completion of phase 1 of the review of NOS for operatives.

Following the launch of the SummitSkills pipe welding test in 2005 twenty five training providers have been approved as test centres. This network provides good geographical coverage, giving easy access for employers wishing to update their workforce certificates.

Champion the sector's skills agenda:

Work on the 'Horizon' project to develop a Sector Skills Agreement (SSA) for the building services engineering sector has been a major focus of activity throughout the year. The SSA will identify the workforce skills the sector needs now and into the future and set out how training to meet those needs will be delivered and funded. Horizon has been focusing on each of the English regions and the devolved nations to build up as full and accurate a picture as possible of the sector's skills situation UK-wide. A special website to promote the Horizon initiative has been set up to maximise the opportunity for employers and other stakeholders to engage in the process.

Following the UK's successful bid to host the WorldSkills 2011 contest in London, SummitSkills was selected to lead all Sector Skills Councils within the Skills for Business network in arrangements for the event. On behalf of the BSE sector, SummitSkills brought together industry bodies, UK Skills and the Edge Trust to look at the way forward for the sector in UK, European and international skills competitions. As a result, there is now sector-wide support for the mix of competitions that have the potential to meet the needs of the four main building services engineering industries.

[Looking ahead](#)

The above examples show some of the successes of SummitSkills over the past year and some of the ways in which the strategic plan is being fulfilled. With much work still to do however SummitSkills has retained the same high level strategic aims whilst reviewing and updating individual elements of the plan. A business plan for 2007-08 (available on request) has been developed out of the strategic plan and work on fulfilling this is now underway.

Undoubtedly a major focus for SummitSkills this coming year will continue to be the Sector Skills Agreement (SSA) for the building services engineering sector. Having collected data from across the UK and having held consultation events in all the English regions and in the Devolved Administrations the next step is to produce an agreement which can be signed up to by all who supply, fund and plan education and training and which will map out exactly what skills employers need their workforce to have and how those skills will be supplied both in the short and long term.

Another major focus is likely to be the implementation of proposals coming out of the Leitch Report published in December 2006. Amongst other things this proposes an increase in the number of apprentices across the UK and an upskilling of the present workforce to at least Level 2 equivalent.

Financial report

Income

The total incoming resources for SummitSkills rose during the year to £2.9mil (2006: £2.1mil). The principal sources of income were the SSDA 63% (2006: 69%) and the trade associations 13% (2006: 19%). In addition further amounts were raised from institutional donors to fund specific projects 13% (2006: 5%) and from certification, training and other activities 11% (2006: 7%).

SummitSkills successfully re-contracted with the SSDA in December 2006 resulting in guaranteed funding for a further 40 months until March 2010. Based on the positive performance of SummitSkills during its first 3 year contract the level of core funding for the second contract was increased to £1.75 million per year.

Expenditure

Total expenditure was £2.5mil (2006: £2.0mil) of which 90% was spent on charitable activities (2006: 87%), 2% on fundraising (2006: 3%), and 8% on governance of the company (2006: 10%).

Funds

SummitSkills' policy is to retain free reserves at a level which provides adequate working capital and allows it to meet its anticipated commitments in the short and medium term. It is considered that reserves to cover a 6 month period are sufficient and this equates to approximately £1million. At 31 March 2007 total reserves stood at £1,262,441 (2006; £745,539) of which £1,145,981 (2006; £723,620) represented free reserves.

Two restricted funds operated during the year; one in respect of a grant received in 2005 towards the purchase of fixed assets and the second representing project monies received in advance (see Note 13).

Three designated funds have been set up as at the year end:

- An IT fund (£50,000) has been set up to cover the cost of replacing and renewing IT equipment over the course of the coming year. The majority of SummitSkills' current IT equipment is over 3 years old, including the main servers, and IT consultants have advised the company to put in place a programme of replacement.
- A Recruitment fund (£50,000) has been set up to allow for the recruitment of senior executives without adversely affecting the operating budget for any given year. High calibre senior managers are vital to the effective running of the company and experience during the year showed that recruitment costs for employees at this level can be significant (£40,000). The directors consider it prudent therefore to set up a designated fund rather than build into a yearly budget a significant amount that may or may not be required.
- A Skills fund (£200,000) has been set up specifically to fund projects to help further the attainment of skills within the sector. Income from registration and certification activities during the year exceeded expectations by just over £200,000 and the Board were keen to ensure that this money would be spent on specific activities for the benefit of the sector.

Internal control

The company has a documented system of internal control which was reviewed in depth by the Finance and Audit sub-committee of the Board in April 2006 and is kept under regular review.

An internal audit was carried out by Robson Rhodes LLP in January 2007 which confirmed that SummitSkills has suitably designed and effectively operating controls in place.

Charity registration

SummitSkills' formal application for charity registration was approved by the Charity Commission with effect from 14th November 2006. SummitSkills' charity number is 1116777

Directors' indemnity insurance

SummitSkills has in place 'Executive Liability' cover in respect of the Chairman, the directors and the principal officers of the company. The premium paid during the year was £2,100 (2006: £2,237)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD

Mary Gowing
Director

A handwritten signature in black ink, appearing to read 'Mary Gowing', is written over a faint, light-colored grid or stamp. The signature is written in a cursive style.

Date 7th September 2007

Report of the independent auditor to the members of SummitSkills Limited

We have audited the financial statements of SummitSkills Limited for the year ended 31 March 2007 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2007.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Central Milton Keynes

Date 7th September 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in February 2005.

There have been no changes to the principal accounting policies since the previous year.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Incoming resources

Income is accounted for on a receivable basis when it becomes an entitlement, is capable of measurement and there is reasonable certainty of receipt.

Grants receivable: Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with.

Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

Resources expended

All costs incurred are allocated under one or more of seven headings, these being

- Cost of generating funds
- Governance costs

And the five strategic objectives of SummitSkills, namely

- Alleviate skills gaps
- Improve productivity
- Provide career progression
- Develop a competent workforce
- Champion the sector's skills agenda

The final five headings represent charitable activities under SORP (2005)

Where costs incurred relate directly to one or more of the seven headings they are allocated directly. Other costs are apportioned as follows:

Staff costs: according to the amount of time spent on each activity.
Overheads: according to the combined staff time spent on each activity.

The costs allocated to *Governance* include:

- Staff costs in relation to strategic planning and public accountability.

Principal accounting policies

- All costs in connection with the Board and its principal sub-committees.
- The honorarium paid to the Chairperson.
- Direct costs of audit, legal advice relating to charity registration and HR in connection with the Investors in People award.
- Costs related to producing the Annual Review and the Annual Report and Financial Statements.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs

Defined benefit scheme: The company makes contributions to the Pipeline pension scheme which is a multi-employer scheme made available to eligible employees. The pension costs charged to the statement of financial activities in the year represent the amount of the contributions payable in respect of the accounting period.

The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly, no provision can be made for any under or over provision of funding within the scheme as required under Financial Reporting Standard No. 17 "Retirement Benefits".

Depreciation

Tangible fixed assets costing £250 or more are capitalised at cost. Depreciation is provided for on these assets and is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	25% straight line
Office fixtures and fittings	20% straight line

Depreciation is charged from the date the asset is brought into use.

Irrecoverable Value Added Tax

The company is unable to recover the majority of Value Added Taxation charged on its purchases. The irrecoverable amount is charged to the statement of financial activities.

Principal accounting policies

Funds

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for these purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are subscriptions and other incoming resources received or generated for expenditure on the general objectives of the company.

Designated funds are amounts which have been put aside at the discretion of the Board.

Reserves

The company's policy is to retain general reserves at a level which provides adequate working capital and allows it to meet its anticipated commitments in the short and medium term.

Statement of financial activities

incorporating income and expenditure account

for the year ended 31 March 2007

	Note	Restricted £	Unrestricted £	2007 £	2006 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Core income – SSDA	1	-	1,499,067	1,499,067	1,330,600
Investment income					
Bank interest		-	36,222	36,222	38,318
Incoming resources from charitable activities					
Stakeholder subscriptions	2	-	390,000	390,000	390,000
Grants for specific activities	1	773,625	-	773,625	224,357
Certification and training income		-	299,401	299,401	112,177
Total incoming resources		<u>773,625</u>	<u>2,224,690</u>	<u>2,998,315</u>	<u>2,095,452</u>
Resources expended					
Cost of generating funds					
Charitable activities	3	679,084	1,546,727	2,225,811	1,743,378
Governance costs		-	200,688	200,688	208,305
Total resources expended		<u>679,084</u>	<u>1,802,329</u>	<u>2,481,413</u>	<u>2,015,975</u>
Net incoming resources for the year	4	94,541	422,361	516,902	79,476
Funds at 1 st April		21,919	723,620	745,539	666,063
Funds at 31st March	13	<u>116,460</u>	<u>1,145,981</u>	<u>1,262,441</u>	<u>745,539</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

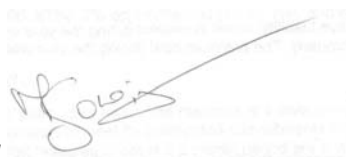
as at 31 March

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	<u>55,608</u>	<u>75,810</u>
Current assets			
Debtors	10	320,363	26,346
Cash at bank		<u>1,206,239</u>	<u>881,472</u>
		<u>1,526,602</u>	<u>907,818</u>
Liabilities			
Creditors: amounts falling due within one year	11	<u>319,769</u>	<u>238,089</u>
Net current assets		<u>1,206,833</u>	<u>669,729</u>
Total assets less current liabilities		<u>1,262,441</u>	<u>745,539</u>
Capital and reserves			
Share capital	16	–	–
Reserves - restricted	13	116,460	21,919
designated	12	300,000	–
general	14	845,981	723,620
		<u>1,262,441</u>	<u>745,539</u>

These financial statements have been prepared in accordance with the special provisions of Part VII Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on 7th September 2007 and are signed on their behalf by:

Mary Gowing
 Director



Notes to the financial statements

1 Grant income

Grant income is derived from the following sources:

	Restricted £	Unrestricted £	2007 £	2006 £
The Sector Skills Development Agency	415,060	1,499,067	1,914,127	1,441,157
European Social Fund	45,715	-	45,715	-
The Learning and Skills Council	23,774	-	23,774	50,000
The Scottish Executive	10,150	-	10,150	3,000
The Qualifications and Curriculum Authority	14,000	-	14,000	56,450
UK Skills	110,000	-	110,000	-
Department of Trade and Industry	58,500	-	58,500	-
SEMTA	22,344	-	22,344	-
CITB ConstructionSkills	18,427	-	18,427	-
HVCA	8,000	-	8,000	-
ESTTL	8,000	-	8,000	-
Welsh Assembly Government	25,105	-	25,105	-
Other	14,550	-	14,550	4,350
Total	<u>773,625</u>	<u>1,499,067</u>	<u>2,272,692</u>	<u>1,554,957</u>

2 Stakeholder subscriptions

SummitSkills receives subscriptions from employer bodies representing specific elements of the building services engineering sector. The amounts included in the accounts for the year (and the previous period) are as shown below:

	2007 £	2006 £
Electro-technical (ECA and SELECT)	130,000	130,000
Heating, Ventilating, Air Conditioning and Refrigeration (HVCA)	130,000	130,000
Plumbing (APHC and SNIPEF)	130,000	130,000

3 Charitable activities

	Restricted £	Unrestricted £	2007 £	2006 £
Resources expended				
Charitable activities				
Alleviate skills gaps	484,936	286,708	771,644	357,561
Improve productivity	29,234	148,640	177,874	144,378
Provide career progression	57,226	194,679	251,905	310,566
Develop a competent workforce	80,693	239,548	320,241	512,962
Champion the sector's skills agenda	26,995	677,152	704,147	417,911
Total charitable activities	<u>679,084</u>	<u>1,546,727</u>	<u>2,225,811</u>	<u>1,743,378</u>

4 Net incoming resources

This is stated after charging:	2007	2006
	£	£
Depreciation of owned assets	27,889	25,967
Operating lease costs - land and buildings	33,703	70,981
- vehicles	7,477	15,888
Auditors' remuneration - audit	7,314	7,300
- other	645	-
	<u> </u>	<u> </u>

5 Staff costs

The number of employees at the end of the year was 29 (2006:28) of which 4 (2006: 4) were engaged to work on dedicated projects and funded by specific grants. The average full time equivalent number of employees during the year was 29 (2006:26).

Aggregate staff costs were as follows:	2007	2006
	£	£
Wages and salaries	1,043,461	1,005,433
Social security	102,629	95,964
Pension	82,759	75,642
	<u>1,228,849</u>	<u>1,177,039</u>

The company makes contributions to the Pipeline pension scheme - a defined benefit pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge shown above represents contributions payable by the company to this scheme.

During the year ended 31 March 2007, employees had to contribute between 3.75% and 7.25% to the scheme and employers contributed between 7.5% and 14.5%. It has not been possible to ascertain whether the scheme was in surplus or deficit at 31 March 2007 but the scheme received a positive Ongoing Funding Statement as at 31 March 2006.

The number of employees whose emoluments (including taxable benefits-in-kind but excluding employer's pension contributions) exceeded £60,000 were within the following bands:

	2007	2006
£90,001 - £100,000	1	1
£70,001 - £80,000	2	1
£60,001 - £70,000	-	1

Pension costs payable to the Pipeline scheme for the 3 staff included in the above bandings was £22,620 (2006 3 staff £20,240)

6 Directors remuneration

None of the directors received any remuneration for their services during the year. Directly incurred expenses are reimbursed to the Chairman and directors if claimed and amounted to £9,909 in total during the year (2006 £17,018)

7 Taxation

As a registered charity the company is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

8 Related party transactions

Mr S Bartley, the Chairman, received an honorarium of £12,000 in the year (2006 £10,000). His company 'S4 Consulting' was paid £12,250 (2006 £2,275) for specific services rendered.

9 Tangible fixed assets

Cost	Computer equipment £	Office fixtures and fittings £	Total £
At 1st April 2006	58,506	56,702	115,208
Additions	7,687	-	7,687
Disposals	-	-	-
At 31st March 2007	<u>66,193</u>	<u>56,702</u>	<u>122,895</u>
Depreciation			
At 1st April 2006	27,793	11,605	39,398
Charge for the year	16,548	11,341	27,889
At 31st March 2007	<u>44,341</u>	<u>22,946</u>	<u>67,287</u>
Net book value			
At 31st March 2007	<u>21,852</u>	<u>33,756</u>	<u>55,608</u>
At 31st March 2006	<u>30,713</u>	<u>45,097</u>	<u>75,810</u>

10 Debtors

	2007	2006
	£	£
Grants receivable	276,270	-
Value Added Tax recoverable	-	3,893
Other debtors and prepayments	44,093	22,453
	<u>320,363</u>	<u>26,346</u>

11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	164,683	73,677
Social security and other taxes	32,287	29,937
Employers pension contributions	10,941	10,249
VAT Payable	23,411	-
Other creditors	88,447	124,226
	<u>319,769</u>	<u>238,089</u>

12 Designated funds

At its meeting on 15th March 2007 the Board took the decision to set up the following designated funds:

	Total
	£
IT fund	50,000
Recruitment fund	50,000
Skills fund	200,000
Balance at 31 st March 2007	<u>300,000</u>

The IT fund has been set up to cover the cost of replacing and renewing IT equipment over the course of the coming year.

The Recruitment fund has been set up to allow for the recruitment of senior executives without adversely affecting the operating budget for any given year.

The Skills fund has been set up specifically to fund projects which promote and aid the attainment of skills within the sector.

13 Restricted funds

	Fixed assets fund £	Projects fund £	Total £
At 1 st April 2006	12,919	9,000	21,919
Net (outgoing)/incoming resources	(6,459)	101,000	94,541
Balance at 31 st March 2007	<u>6,460</u>	<u>110,000</u>	<u>116,460</u>

The Fixed assets fund was established in 2005 by a grant from the SSDA which was given specifically for the purchase of computer equipment and software.

The Projects fund represents project monies receivable in advance for work to be carried out during the course of the subsequent year.

14 Analysis of net assets between funds

	Tangible fixed assets £	Current assets £	Current liabilities £	£
Restricted reserves	6,460	110,000	-	116,460
Designated reserves				
IT fund	-	50,000	-	50,000
Recruitment fund	-	50,000	-	50,000
Skills fund	-	200,000	-	200,000
General reserves	49,148	1,116,602	(319,769)	845,981
Total funds	<u>55,608</u>	<u>1,526,602</u>	<u>(319,769)</u>	<u>1,262,441</u>

15 Operating leases

Annual commitments totalling £35,106 (2006 £42,058) under non-cancellable operating leases at 31 March were as follows:

	2007		2006	
	Land and buildings £	Motor vehicles £	Land and buildings £	Motor vehicles £
Expiry date:				
within one year	-	3,442	-	5,231
between 2 and 5 years	31,664	-	31,664	5,163
in more than 5 years	-	-	-	-
Total	<u>31,664</u>	<u>3,442</u>	<u>31,664</u>	<u>10,394</u>

16 Share capital

The company is limited by guarantee and therefore has no share capital. The members liability is limited to £10 per member in the event that the company is wound up whilst that person is a member or within 12 months of them resigning as a member if the liabilities exceed the assets.

