

SummitSkills

The Sector Skills Council for Building Services Engineering

Financial statements

For the year ended 31 March 2006

Company information

Company registration number	4575759
Registered office	Vega House Opal Drive Fox Milne Milton Keynes Buckinghamshire MK15 0DF
Chairman	Simon J Bartley
Directors	Brian Calcott Andrew C P Gooding Mary Gowing Thomas J Hardacre Diane T Johnson R Stuart Lyon Graham P Manly Hamish E McDonald Stephen G Nicholls David G Rogers R David Stevenson William H Wright
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	33 - 10
Report of the independent auditor	1111 - 12
Principal accounting policies	1313 -15
Statement of financial activities	1616
Balance sheet	1717
Notes to the financial statements	18 - 22

Directors' report

The directors present their report and the financial statements of the company for year ended 31 March 2006.

Principal activities

SummitSkills is a "Private Company limited by Guarantee with Charitable Objectives and not having a share capital". It is governed by its Memorandum and Articles which state that the objects of the company are:

- a. To promote and advance, in the United Kingdom and elsewhere, a skills agenda for the benefit of the public and the sector involving the education and training of persons employed, or intending to be employed, in the electrotechnical, heating, ventilation, air conditioning, refrigeration, plumbing, gas services and other related industries.
- b. To secure, in the United Kingdom and elsewhere, an appropriately skilled workforce for the sector in the future by promoting useful research into employment in the electrotechnical, heating, ventilation, air conditioning, refrigeration, plumbing, gas services and other related industries and to publish and disseminate any useful results of such research for the benefit of the public and the sector.

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.

The building services engineering sector covers the electrotechnical, heating, ventilating, air conditioning, refrigeration and plumbing industries and 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 trains approximately 18,000 apprentices at any one time.

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 Amicus - the principal trade union covering the sector as well as the professional bodies active in the sector.

Governance

The company has a Board of Directors who are all Trustees and are the Members. In addition it has a non executive part-time Chairperson who is not a director; and a Company Secretary.

During the year the Board approved changes to the Articles of Association reducing the maximum number of directors from 18 to 12. 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 are SMEs (Small and Medium Enterprises).

The Board is currently considering formal training for directors. In the meantime an extensive induction pack for new directors has been prepared giving information about the role of a director/trustee as well as more specific information concerning SummitSkills.

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 sub-committee
which reports to the Board on the financial state of the organisation 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 business 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 business:

- Management Committee
which receives reports from the various interest groups 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, RAC* 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 *Multiskilling and SME 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 is scheduled to meet quarterly.

SummitSkills has calculated that the total number of days given to the organisation by volunteers attending the Board, its sub-committees and the various committees and groups outlined above is in excess of 900 days with a value in the region of £454,000.

Directors

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

Michael A Buckle	(resigned 9 th September 2005)
Brian Calcott	
Paul Corby	(resigned 9 th September 2005)
Stuart G Dickie	(resigned 1 st December 2005)
Derrick A East	(resigned 1 st December 2005)
Andrew C P Gooding	
Mary Gowing	
Robert Hall	(appointed 26 th May 2005, resigned 17 th March 2006)
Thomas J Hardacre	(appointed 9 th March 2006)
I Robert Harris	(resigned 1 st December 2005)
R Stuart Lyon	
Graham P Manly	
Kevin McCallister	(resigned 1 st December 2005)
Hamish E McDonald	(appointed 1 st December 2005)
Teresa McGill	(resigned 1 st November 2005)
Stephen G Nicholls	
David G Rogers	
James C Simms	(resigned 9 th September 2005)
R David Stevenson	
William H Wright	

Diane T Johnson was appointed to the Board on 26th May 2006

Risk management

The trustees of a charity have an obligation to consider the risks that the organisation runs and to ensure that appropriate measures are in place to mitigate those risks. During the course of the year therefore the organisation has carried out and documented a strategic risk analysis and this was reviewed in detail by both the Finance sub-committee in October 2005 and by the Board in December 2005. The trustees 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 its 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 had built up a staff team by the end of the year of 29 people as follows:

- **CEO and three executive directors** (4): Largely outward facing as well as giving direction to the organisation and managing the various teams.
- **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 2007.
- **Communications team** (2): Ensuring that the sector is fully aware of the work that SummitSkills is doing and that the organisation 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 admin support for the organisation.

A full report of the year's activities is included in the SummitSkills' 2005 Annual Review (available on request). Some highlights are as follows:

Alleviate skills gaps:

The 2012 Olympic and Paralympic Games are a huge opportunity for building services engineering. Last year SummitSkills promptly started working with the relevant agencies to impart a thorough understanding of the sector's role and guarantee its full involvement in the planning process.

In the South West and West Midlands SummitSkills provided support for over 2000 redundant workers due to the relocation of Rolls Royce and the closure of MG Rover. This included production of tailored careers information, promoting employer commitment and providing guidance on training in a bid to encourage the recruitment of people with engineering skills into the sector.

Improve productivity:

Much of SummitSkills' work towards improving productivity has centred around renewable sources of energy, as the UK shapes its energy focus.

Action Renewables was set up as a group in Northern Ireland, with four skills academies specialising in renewables, to encourage and enable SMEs to develop relevant skills.

In Scotland, where the Executive is active in promoting the use of renewables, SummitSkills has led the way in arranging early training to give plumbers and electricians additional skills to deal with solar installations.

Provide career progression:

During 2005 a review of national occupational standards at Levels 3 and 4 was completed to pave the way for a new qualifications structure. SummitSkills worked with awarding body EAL to gain accreditation for a new Level 4 N/SVQ in Building Services Engineering Technology and Project Management.

A major project to develop two new diplomas for 14-19 year olds started in 2005. SummitSkills is working with fellow Sector Skills Councils to develop a diploma in Engineering and one in Construction and the Built Environment.

Develop a competent workforce:

Action by SummitSkills helped simplify the assessment for the welding unit of the heating and ventilating Level 3 NVQ.

In partnership with City and Guilds, SummitSkills staged a national conference to provide information and guidance to colleges and other providers of refrigeration and air conditioning and heating & ventilation courses.

To support tutors delivering electrotechnical NVQs and technical certificates, SummitSkills compiled a CD-Rom of support resource materials.

Champion the sector's skills agenda:

SummitSkills organised a high-profile National Training Awards ceremony in March, where Derek Simpson, General Secretary of Amicus recorded a special video address encouraging training and trainees in the sector.

SummitSkills is represented at senior level on various working groups and other bodies including:

- Ministerial Steering Group for Apprenticeships
- Workforce Development Group – part of the Skills for Business Network strategy group
- Standards, Learning and Qualification Board
- Business Skills Board – looking at cross-sector activity
- Construction and Built Environment Skills Forum
- Engineering Technology Board registrants panel
- Institution of Electrical Engineers Council

[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. There is still a long way to go however and much work still to do. As SummitSkills moves ahead therefore it has retained the same strategic aims and has developed its business plan for 2006-07 (available on request) under these same headings.

Undoubtedly a major focus for SummitSkills this coming year will be its work on a Sector Skills Agreement (SSA). Having consulted with stakeholders and established the need to have a regional and national focus for the agreement a large data-gathering exercise has begun throughout the UK. The operations team are due to conduct around 420 face-to-face interviews with employers – at least 30 in each region and country – with additional information to be submitted by partners and stakeholders. This will give the fullest possible picture of the sector leading to a thorough analysis of its skill needs. The resulting SSA, signed up to by all who supply, fund and plan education and training, will map out exactly what skills employers need their workforce to have and how those skills will be supplied – in the short and long term.

[Financial report](#)

Income

The total incoming resources for SummitSkills fell during the year to £2.1mil (2005: £2.6mil). The principal sources of income were the SSDA 69% (2005: 76%) and the trade associations 19% (2005: 15%). In addition further amounts were raised from institutional donors to fund specific projects 5% (2005: 8%) and from certification, training and other activities 7% (2005: 1%).

Expenditure

Total expenditure was £2.0mil (2005: £2.2mil) of which £1,743,378 (87%) was spent on charitable activities (2005: 86%), £64,292 (3%) on fundraising (2005: 3%), and £208,305 (10%) on governance of the charity (2005: 11%).

Fixed assets

During the year the organisation moved premises within Milton Keynes. A number of fixtures and fittings were purchased in connection with this move and these have been capitalised appropriately and will be written-off so as to be fully depreciated by the first break clause in the lease, March 2010.

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 2006 reserves stood at £745,539 (2005; £666,063) of which £723,620 (2005; £505,684) 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 11).

Internal control

The organisation has a documented system of internal control which during the course of the year has been reviewed in depth by the Finance sub-committee of the Board.

Charity registration

The organisation's formal application for charity registration was delayed until late 2005 once the changes in governance referred to on page 4 had been agreed and reflected in the Memorandum and Articles of Association. The application is currently with the Charity Commissioners awaiting final approval.

Trustee indemnity insurance

The organisation has taken out 'Executive Liability' cover in respect of the chair, the trustees and the principal officers of the company. The premium paid during the year was £2,237 (2005: £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

Date 6th September 2006

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 2006 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 14. 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 Trustees' 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 trustees' 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 2006 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 2006.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Central Milton Keynes

Date *6th September 2006*

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. Prior year figures have been restated to comply with SORP 2005.

Apart from changes in presentation required by SORP 2005 there has been just one other change to the principal accounting policies since the previous year, namely the change in the depreciation rate for fixtures and fittings as explained below.

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

- Fundraising costs

- 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 the charitable activities of the organisation.

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.

Principal accounting policies

The costs allocated to *Governance* include:

Staff costs in relation to strategic planning and public accountability.

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 Accounts.

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 charity 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 charity 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:

	2006	2005
Computer equipment	25% straight line	25% straight line
Office fixtures and fittings	20% straight line	15% straight line

The change in rate for office fixtures and fittings was agreed by the Finance Committee in October 2005 and was made in order to write off the cost of office fixtures and fittings bought during the year so as to coincide with the first break clause in the office lease.

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

Principal accounting policies

Irrecoverable Value Added Tax

The charity 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.

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 donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Reserves

The charity's 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.

Statement of financial activities

incorporating income and expenditure account

for the year ended 31 March 2006

	Note	Restricted £	Unrestricted £	2006 £	2005 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Core income – SSDA	1	-	1,330,600	1,330,600	1,496,575
Investment income					
Bank interest		-	38,318	38,318	6,306
Incoming resources from charitable activities					
Stakeholder subscriptions	7	-	390,000	390,000	390,000
Grants for specific activities	1	224,357	-	224,357	671,412
Certification and training income		-	112,177	112,177	18,079
Total incoming resources		<u>224,357</u>	<u>1,871,095</u>	<u>2,095,452</u>	<u>2,582,372</u>
Resources expended					
Cost of generating funds					
Charitable activities	2	362,817	1,380,561	1,743,378	1,861,255
Governance costs		-	208,305	208,305	233,554
Total resources expended		<u>362,817</u>	<u>1,653,158</u>	<u>2,015,975</u>	<u>2,164,929</u>
Net incoming resources for the year	3	(138,460)	217,936	79,476	417,443
Funds at 1 st April		<u>160,379</u>	<u>505,684</u>	<u>666,063</u>	<u>248,620</u>
Funds at 31st March	12	<u><u>21,919</u></u>	<u><u>723,620</u></u>	<u><u>745,539</u></u>	<u><u>666,063</u></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	2006 £	2005 £
Fixed assets			
Tangible assets	8	<u>75,810</u>	<u>40,293</u>
Current assets			
Debtors	9	26,346	352,740
Cash at bank		<u>881,472</u>	<u>547,114</u>
		<u>907,818</u>	<u>899,854</u>
Liabilities			
Creditors: amounts falling due within one year	10	<u>238,089</u>	<u>274,084</u>
Net current assets		<u>669,729</u>	<u>625,770</u>
Total assets less current liabilities		<u>745,539</u>	<u>666,063</u>
Capital and reserves			
Share capital	14	–	–
Reserves - restricted	11	21,919	160,379
unrestricted	12	<u>723,620</u>	<u>505,684</u>
		<u>745,539</u>	<u>666,063</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 6th September 2006 and are signed on their behalf by:

Mary Gowing
Director

4 Staff costs

The number of employees increased during the year from 23 to 29 of which 4 (2005: 1) were engaged to work on dedicated projects and funded by specific grants. The average full time equivalent number of employees during the year was 26 (2005:19).

Aggregate staff costs were as follows:

	2006	2005
	£	£
Wages and salaries	1,005,433	759,678
Social security	95,964	75,837
Pension	75,642	55,350
	<u>1,177,039</u>	<u>890,865</u>

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

During the year ended 31 March 2006, 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 2006 but the scheme received a positive Ongoing Funding Statement as at 31 March 2005.

The number of employees whose annualised emoluments (including taxable benefits-in-kind but excluding employer's pension contributions) fell in the following bands is:

	number	number
£50,001 - £60,000	1	1
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1

Pension costs payable to the Pipeline scheme for the 4 staff included in the above bandings was £29,600 (2005 4 staff £22,725)

5 Directors remuneration

Apart from the chair (see Note 7) none of the directors received any remuneration for their services during the year. Directly incurred expenses are reimbursed to the chair and directors if claimed and amounted to £17,018 in total during the year (2005 £19,338)

6 Taxation

No taxation has been provided for on the surplus for the year (2005 £nil) as the company claims exemption from tax on its income, under Section 505, Income and Corporation Taxes Act, 1988, and any capital gains under Section 256, Taxation of Chargeable Gains Act, 1992.

7 Related party transactions

Mr S Bartley, the company chair, received an honorarium of £10,000 in the year (2005 £10,000). His company 'S4 Consulting' was paid £2,275 (2005 £28,793) for specific services

rendered.

The company 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:

	2006	2005
	£	£
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

8 Tangible fixed assets

Cost	Computer equipment	Office fixtures and fittings	Total
	£	£	£
At 1st April 2005	52,663	1,061	53,724
Additions	5,843	55,641	61,484
Disposals	-	-	-
At 31st March 2006	<u>58,506</u>	<u>56,702</u>	<u>115,208</u>
Depreciation			
At 1st April 2005	13,166	265	13,431
Charge for the year	14,627	11,340	25,967
At 31st March 2006	<u>27,793</u>	<u>11,605</u>	<u>39,398</u>
Net book value			
At 31st March 2006	<u>30,713</u>	<u>45,097</u>	<u>75,810</u>
At 31st March 2005	<u>39,497</u>	<u>796</u>	<u>40,293</u>

9 Debtors

	2006	2005
	£	£
Subscriptions receivable	-	45,500
Grants receivable	-	261,006
Value Added Tax recoverable	3,893	3,218
Other debtors	22,453	43,016
	<u>26,346</u>	<u>352,740</u>

10 Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	73,677	147,043
Social security and other taxes	29,937	24,773
Employers pension contributions	10,249	8,478
Loan	-	45,500
Other creditors	124,226	48,290
	<u>238,089</u>	<u>274,084</u>

11 Restricted funds

	Fixed assets fund	Projects fund	Total
	£	£	£
At 1 st April 2005	19,379	141,000	160,379
Net outgoing resources	(6,460)	(132,000)	(138,460)
Balance at 31 st March 2006	<u>12,919</u>	<u>9,000</u>	<u>21,919</u>

The Fixed assets fund was established in 2005 by a grant from the SSSA which was given specifically for the purchase of computer equipment and software.
 The Projects fund results from project monies received in advance of the work being done.

12 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total
	£	£	£
Tangible fixed assets	12,919	62,891	75,810
Current assets	9,000	898,818	907,818
Current liabilities	-	(238,089)	(238,089)
Balance at 31 st March 2006	<u>21,919</u>	<u>723,620</u>	<u>745,539</u>

13 Operating leases

Annual commitments totalling £42,058 (2005 £83,677) under non-cancellable operating leases at 31 March were as follows:

	2006		2005	
	Land and buildings £	Motor vehicles £	Land and buildings £	Motor vehicles £
Expiry date:				
within one year	-	5,231	56,610	14,873
between 2 and 5 years	31,664	5,163	-	12,194
in more than 5 years	-	-	-	-
Total	<u>31,664</u>	<u>10,394</u>	<u>56,610</u>	<u>27,067</u>

14 Share capital

The company is limited by guarantee. 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.

