

REGISTERED COMPANY NUMBER: 08159144 (England and Wales)
REGISTERED CHARITY NUMBER: 1152236

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

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for the Year Ended 31 December 2016**

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THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

CoST's objectives are for the public benefit:

To promote ethical and transparent standards of conduct, compliance with the law, and accountability in the provision of infrastructure and infrastructure services in any part of the world, which may include (but not be limited to) the following means: (a) Promoting the public disclosure of project information; (b) Enabling stakeholders to hold decision-makers to account. To relieve and prevent poverty, suffering and distress caused by waste, corruption, mismanagement or inefficiency in the provision of infrastructure and infrastructure services in any part of the world.

- To advance education, knowledge and the exchange of experience in the provision of infrastructure and infrastructure services.
- To advance health or save lives by increasing public safety in the provision of infrastructure and infrastructure services.

To further such other exclusively charitable purposes according to the law of England and Wales as the Trustees in their absolute discretion from time to time determine.

CoST's Aim is to:

- Help improve the value for public money invested in infrastructure.
- Help improve the quality of public infrastructure and services.

CoST undertakes a range of activities including:

- Developing and disseminating principles, standards and approaches.
- Providing technical assistance and capacity building support.
- Advocating for transparency and accountability.
- Building partnerships and collaborating with others.

Principal Officers

The Construction Sector Transparency Initiative ("CoST") had no employees in 2016.

Management of Major Risks

The Trustees retain responsibility for a system of internal controls that are designed to manage major risks. These systems provide reasonable but not absolute assurance against inappropriate or ineffective use of resources and against the risk of errors or fraud. The Trustees delegate authority to the International Secretariat to conduct an annual review of the major strategic and operational risks that CoST faces and the ways in which they are being monitored, managed and mitigated. The outcomes of this review are reported to the Trustees by the International Secretariat and changes in policy are made where necessary. The Trustees are satisfied with the systems in place to monitor, manage and mitigate CoST's exposure to major risks.

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. Details of the risk assessment were published in the CoST Business Plan 2017 - 2020 published in June 2017.

ACHEIVEMENTS AND PERFORMANCE

CoST made good progress in 2016 at national and international levels. CoST's achievements include:

Increased Transparency and Accountability

In 2016, CoST supported the disclosure of data from over 4,000 public infrastructure projects. CoST Guatemala significantly increased levels of public infrastructure disclosure through its bespoke online portals, Guatecompras. In addition to delivering greater transparency, 68 projects were subject to CoST Assurance - an independent review of the disclosed data to ensure compliance and accuracy whilst highlighting issues of concern. This is more than double the number of projects subject to assurance in 2015 and includes new and challenging country contexts such as Ukraine. CoST countries are now working on innovative strategies to further scale up this process in the future.

Institutionalised Disclosure

CoST Guatemala has strengthened their Formal Disclosure Requirement (FDR) to mandate disclosure of 31 of the 40 CoST Infrastructure Data Standard (IDS) data points through Guatecompras, the national e-procurement portal. The Guatemalan Congress of the Republic, the country's unicameral legislature, has ratified the FDR which enables

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REPORT OF THE TRUSTEES for the Year Ended 31 December 2016

disclosure in all cases, for all projects, across all Procuring Entities (PEs). This means that the public infrastructure transparency is more sustainable, as the law is less vulnerable to shifting political priorities and changes of leadership. We also saw over 700 government officials across 5 countries trained to disclose data in the CoST Infrastructure Data Standard - a five fold increase on 2015.

Strengthened Dialogue

CoST created opportunities for citizens to hold governments to account. CoST Malawi created an innovative SMS platform to provide citizens with a real-time reporting mechanism for infrastructure issues affecting their local areas. Malawians can now text the toll-free SMS number to log details of any infrastructure projects, such as roads and schools, where they have concerns with its delivery.

CoST Honduras has also signed an agreement with 90 citizen transparency commissions to increase transparency and accountability in public infrastructure. As part of the agreement CoST Honduras will share information on infrastructure data and assurance, in addition to providing workshop training on SISOCS, a subsystem of the national e-procurement portal. As a result of the training, some citizens have now formed their own monitoring group and regularly meet with the CoST Honduras Assurance Team to discuss their findings.

Increased Participation

Panama became the fourth country in Latin America to join CoST, following its participation in a regional outreach workshop the previous year. It is estimated that Latin America should increase infrastructure investments by 3 percentage points with respect to GDP if it intends to become a developed region (CAF, 2016). With four Latin American countries now participating in the programme, CoST is making an increasingly significant contribution to supporting better infrastructure investments in the region.

Influenced the International Debate

CoST has received international recognition for its role in leading the development of transparency and accountability in public infrastructure. We participated in several major international events including delivering keynote speeches and dedicated sessions. The events were organised inter alia by the Open Government Partnership (OPG), Transparency International, Inter-American Development Bank (IADB) and the European Investment Bank (EIB).

The CoST programmes of Honduras and Malawi were also internationally recognised at the OGP's Open Government Awards, celebrating civil society initiatives that use government data to make transparency count. CoST Honduras was awarded third prize and CoST Malawi received an Honourable Mention for their contributions to improving civic participation in public life, improving the functioning of government and creating new services.

New donors and partners

The UK Government's Foreign and Commonwealth Office (FCO), via the British Embassy in Bangkok, awarded CoST a grant of more than £165,000.00 to deliver a regional programme in Southeast Asia. Through the grant, CoST will work with stakeholders across Indonesia, Malaysia, Thailand and Vietnam to explore how the initiative, its principles and tools can strengthen the environment for public infrastructure investment transparency. In 2016, CoST undertook new research into country's infrastructure sectors and their transparency baselines. This work will continue in 2017 and enable government, industry and civil society to contribute to findings and deliver actions on the ground.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08159144 (England and Wales)

Registered Charity number

1152236

Registered office

5th Floor Woolgate Exchange
25 Basinghall Street
London
EC2V 5HA

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2016**

Trustees

C Poortman
P Matthews
V Lazatin
G Ofori
P Nielsen
A J Cantero Calleja

The Executive Board Members are also the directors of the charitable company for the purposes of company law and its trustees for the purposes of charity law.

Company Secretary

M Jeannot

Auditors

Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Bankers

National Westminster Bank
PO Box 414
38 Strand
London
WC2N 5JB

FINANCIAL REVIEW

Accounts

The accounts for the year ended 31 December 2016 are shown in this annual report.

Unrestricted Funds

The balance on restricted funds at 31 December 2016 is £213,324

Reserves

The Trustees have not set a reserves threshold as the charity has not received any unrestricted funding (free income) since it began trading. All of the charity's activities are restricted to and determined by the funding it receives. As the charity has no staff or significant creditors the financial impact of closure would be limited.

The Trustees will continually review this policy and if necessary will establish a Reserves Policy that considers the level of 'free reserves' sufficient to protect the organisation and its charitable programme by providing time to adjust to changing financial circumstances.

FINANCIAL INSTRUMENTS

The principal financial instruments of the charity comprise bank balances, other receivables and other payables. The main purpose of these instruments is to raise funds for the charity's operations and to finance its continuing operations. Liquidity risk is managed by the use of a bank balance along with efficient monitoring of cash flows to ensure there are sufficient funds to meet liabilities.

PLANS FOR FUTURE PERIODS

A new ambitious three year business plan has recently published that aims to scale up the global footprint and impact of CoST. Over the next twelve months CoST will be implementing some of the key parts of the Business Plan including a more flexible approach to working with our partners including sub-national governments as well as national governments and developing a broader range of tools, standards and support services. However, additional funding will be required to fully realise the business plans ambition.

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**REPORT OF THE TRUSTEES
for the Year Ended 31 December 2016**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Construction Sector Transparency Initiative for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees 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.

AUDITORS

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 25th September 2017 and signed on its behalf by:

C Poortman - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

We have audited the financial statements of The Construction Sector Transparency Initiative for the year ended 31 December 2016 on pages four to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page two, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Richard Lodder (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: 26th September 2017

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2016**

	Notes	Unrestricted fund £	Restricted fund £	31.12.16 Total funds £	31.12.15 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Charitable activities	4	-	1,399,544	1,399,544	842,346
Other trading activities	2	-	2,147	2,147	710
Investment income	3	-	589	589	-
Total		-	1,402,280	1,402,280	843,056
EXPENDITURE ON					
Charitable activities					
Charitable activities	5	-	1,329,336	1,329,336	795,168
NET INCOME		-	72,944	72,944	47,888
RECONCILIATION OF FUNDS					
Total funds brought forward		-	140,380	140,380	92,492
TOTAL FUNDS CARRIED FORWARD		-	213,324	213,324	140,380

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

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**STATEMENT OF FINANCIAL POSITION
At 31 December 2016**

	Notes	31.12.16 £	31.12.15 £
CURRENT ASSETS			
Debtors	9	127,706	42,366
Cash at bank and in hand		<u>298,801</u>	<u>228,805</u>
		426,507	271,171
CREDITORS			
Amounts falling due within one year	10	(213,183)	(130,791)
		<u>213,324</u>	<u>140,380</u>
NET CURRENT ASSETS		<u>213,324</u>	<u>140,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>213,324</u>	<u>140,380</u>
NET ASSETS		<u>213,324</u>	<u>140,380</u>
FUNDS			
Restricted funds	12	<u>213,324</u>	<u>140,380</u>
TOTAL FUNDS		<u>213,324</u>	<u>140,380</u>

The financial statements were approved by the Board of Trustees on 25th September 2017 and were signed on its behalf by:

C Poortman -Trustee

P Matthews -Trustee

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2016**

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>69,407</u>	<u>149,295</u>
Net cash provided by (used in) operating activities		<u>69,407</u>	<u>149,295</u>
Cash flows from investing activities:			
Interest received		<u>589</u>	-
Net cash provided by (used in) investing activities		<u>589</u>	-
Change in cash and cash equivalents in the reporting period		69,996	149,295
Cash and cash equivalents at the beginning of the reporting period		<u>228,805</u>	<u>79,510</u>
Cash and cash equivalents at the end of the reporting period		<u>298,801</u>	<u>228,805</u>

The notes form part of these financial statements

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NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2016

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.12.16	31.12.15
	£	£
Net income for the reporting period (as per the statement of financial activities)	72,944	47,888
Adjustments for:		
Interest received	(589)	-
(Increase)/decrease in debtors	(85,340)	63,564
Increase in creditors	<u>82,392</u>	<u>37,843</u>
Net cash provided by (used in) operating activities	<u>69,407</u>	<u>149,295</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006.

Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deed of covenant is recognised at the time of the donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company.

Charitable activities include direct expenditure associated with providing the charitable services and support costs relating to those activities.

Other resources expended consistent of governance costs which include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

(ii) Financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the trustees consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

2. OTHER TRADING ACTIVITIES

	31.12.16	31.12.15
	£	£
Consulting	<u>2,147</u>	<u>710</u>

3. INVESTMENT INCOME

	31.12.16	31.12.15
	£	£
Deposit account interest	<u>589</u>	<u>-</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.16	31.12.15
	£	£
Grants	<u>1,399,544</u>	<u>842,346</u>

Grants received, included in the above, are as follows:

	31.12.16	31.12.15
	£	£
Dutch Ministry of Foreign Affairs	211,860	211,860
Department for International Development	1,025,000	550,000
UK Foreign & Commonwealth Office	<u>162,684</u>	<u>80,486</u>
	<u>1,399,544</u>	<u>842,346</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016**

5. CHARITABLE ACTIVITIES COSTS

All of the funds are restricted

	Total Funds 31.12.16 £	Total Funds 31.12.15 £
Provision of charitable services:		
Supporting national programmes	632,350	378,930
International programme costs	690,778	409,417
Sundries	-	38
	<u>1,323,128</u>	<u>789,802</u>

6. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Charitable activities	<u>458</u>	<u>5,750</u>	<u>6,208</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.16 £	31.12.15 £
Auditors' remuneration	<u>5,750</u>	<u>4,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Trustees' expenses

During the year, six trustees' received reimbursement of expenses of £8,738 (2015: £16,009) for travel and other expenses

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Grant debtors	103,685	39,620
Other debtors	<u>24,021</u>	<u>2,746</u>
	<u>127,706</u>	<u>42,366</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Trade creditors	4,998	126,359
Accruals and deferred income	<u>208,185</u>	<u>4,432</u>
	<u>213,183</u>	<u>130,791</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016**

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Total funds 2016 (Restricted)	Total funds 2015 (Restricted)
Current assets	426,507	271,171
Creditors due within one year	<u>(213,183)</u>	<u>(130,791)</u>
	<u>213,324</u>	<u>140,380</u>

12. MOVEMENT IN FUNDS

	At 1.1.16 £	Net movement in funds £	At 31.12.16 £
Restricted funds			
Restricted funds	<u>140,380</u>	<u>72,944</u>	<u>213,324</u>
TOTAL FUNDS	<u>140,380</u>	<u>72,944</u>	<u>213,324</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted funds	<u>1,402,280</u>	<u>(1,329,336)</u>	<u>72,944</u>
TOTAL FUNDS	<u>1,402,280</u>	<u>(1,329,336)</u>	<u>72,944</u>

Restricted funds relate to grants received towards completion of specific projects. These projects support the charities core objective of "helping participating countries deliver better value from public infrastructure". The charity is required to report the use of the funds to the funding providers.

All funds held at the year end were represented by net current assets.

13. RELATED PARTY DISCLOSURES

As detailed further in the Trustees' Report, the day to day management and finance function of the Charity is undertaken by staff of Engineers Against Poverty (register charity no. 1071974). Petter Matthews, the Executive Director and a Trustee of the Charity, is also Executive Director of Engineers Against Poverty. During the year, Engineers Against Poverty recharged the Charity £594,773 (2015: £375,357) relating to workshop costs and staff time incurred on the Charity's behalf. At the year end there was a creditor of £201,078 (2015: £126,358). The recharge includes an element of Petter Matthews time.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2016**

14. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	<u>2016</u>	<u>2015</u>
	<u>£</u>	<u>£</u>
Financial assets that are debt instruments measured at amortised cost		
- Grant debtors	103,685	39,620
- Other debtors	<u>24,021</u>	<u>2,746</u>
	<u>127,706</u>	<u>42,366</u>
 Financial liabilities measured at amortised cost		
- Trade creditors	4,998	126,359
- Other creditors	<u>-</u>	<u>4,432</u>
	<u>4,998</u>	<u>130,791</u>

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2016**

	31.12.16	31.12.15
	£	£
INCOME AND ENDOWMENTS		
Other trading activities		
Consulting	2,147	710
Investment income		
Deposit account interest	589	-
Charitable activities		
Grants	<u>1,399,544</u>	<u>842,346</u>
Total incoming resources	1,402,280	843,056
EXPENDITURE		
Charitable activities		
Supporting national programmes	632,350	378,930
International programme costs	690,778	410,834
Sundries	<u>-</u>	<u>38</u>
	1,323,128	789,802
Support costs		
Other		
Bank charges	458	780
IT & Communications	<u>-</u>	<u>586</u>
	458	1,366
Governance costs		
Auditors' remuneration for non audit work	<u>5,750</u>	<u>4,000</u>
Total resources expended	1,329,336	795,168
Net income	<u>72,944</u>	<u>47,888</u>