

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 2025
FOR
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

Magma Audit LLP
16 Davy Court
Castle Mound Way
Rugby, CV23 0UZ
Magma Audit LLP is part
Of the Dains Group

THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 8
Statement of Financial Activities	9
Statement of Financial Position	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13 to 19

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE (REGISTERED NUMBER: 08159144)

REPORT OF THE TRUSTEES for the year ended 31 December 2025

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 2025. 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 2019).

ACHIEVEMENT AND PERFORMANCE

The Construction Sector Transparency Initiative (CoST) made good progress in 2025, despite a challenging international environment. Here are some examples of how our work made a difference.

Expanding CoST's impact

CoST expanded its reach with Cali in Colombia, and Kakamega in Kenya becoming members, and Zambia rejoining the initiative. Over 3,300 stakeholders, across three continents, gained knowledge on promoting infrastructure transparency by participating in awareness-raising activities organised by members.

CoST grew its suite of resources, primarily to support members, while also making them available to non-members. This included an updated Independent Review Manual, Infrastructure Transparency Index (ITI) manual in English and Spanish, as well as a new guidance note for members on Engaging British Embassies. At the Open Government Partnership Summit in Spain, CoST launched its Open Government Guidance Note to an audience of more than 200 participants.

CoST also expanded its reach through a memorandum of understanding with the International Anti-Corruption Academy (IACA) to establish collaboration in the fight against corruption and the promotion of social accountability.

CoST worked with the Water Integrity Network to publish tools to help citizens hold authorities to account in water infrastructure planning. The framework methodology sets out how to identify and address poor decision making and planning failures in water infrastructure and was successfully piloted in the Latin America (LATAM) region.

CoST tools, standards and expertise in transparency, participation and accountability supported Green Cities Infrastructure and Energy Programme (GCIEP) interventions in Vietnam, the Philippines and Zambia. This included working with the Metropolitan Railway Board in Hanoi, to review procurement systems and incorporate the Open Contracting for Infrastructure Data Standard (OC4IDS) into its Tender Information Portal. We also supported Baguio City Council in the Philippines, to conduct a gap analysis and produce a roadmap for ISO 37001 certification. In Zambia we worked with the Centre for Trade, Policy and Development to assess integrity and performance risks in the Energy sector.

Progress in publishing and using infrastructure data

CoST members published data on more than \$21 billion of infrastructure investments.

Uganda, Thailand and West Nusa Tenggara in Indonesia upgraded their data publication platforms.

Jalisco and Uganda both piloted CoST's sustainability and climate finance data standards and Malawi updated their platform to incorporate CoST's new sustainability and climate finance data points.

New data publication platforms were launched by Kaduna, Bogota, Costa Rica and Ecuador - with Ecuador publishing over 31,000 public works contracts in three months. In Malawi, they implemented a 'red flag' feature into their Infrastructure Platform for Public Infrastructure (IPPI) which turns passive data publication into a two-way accountability channel.

Costa Rica, Ghana, Malawi and Guatemala published Infrastructure Transparency Indexes, which helped their governments and other stakeholders understand their performance in infrastructure transparency.

Strengthening institutions for transparent infrastructure

In 2025, governments across Latin America, Africa and Asia adopted transparency and integrity reforms in infrastructure governance, reflecting growing political commitment to the CoST approach. Examples include:

- CoST's work secured the establishment of Guatemala's National Infrastructure Commission. The commission has already launched a new social audit system to monitor infrastructure projects implemented by Departmental Development Councils.
- The Governor of Jalisco, Pablo Lemus Navarro, announced plans to publish data on \$113 million of investment on the CoST data platform and plans to reform Jalisco's Public Works Law, to provide an open infrastructure management process with citizen trust embedded.
- The National Assembly of Ecuador passed a new Integrity Law which establishes that the public procurement system must incorporate open data principles. This law applies to all contracting authorities throughout the country.

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE (REGISTERED NUMBER: 08159144)

REPORT OF THE TRUSTEES for the year ended 31 December 2025

- Both Sekondi-Takoradi Metropolitan Assembly, Ghana and Uganda published memorandums focused on securing formal government support for the adoption of CoST tools and standards at the national level, incorporation into OGP national plans and increased data publication.
- In Belitung, Indonesia, following changes in local government leadership, the Regent signed a commitment to implement the CoST approach.
- CoST members, in Bogotá and Cali received honourable recognitions at the Open Government Partnership (OGP) Global Summit in Vitoria-Gasteiz, Spain for their work on transparency and open government.

Mobilising the private sector

CoST launched a new portal, 'Private Sector Perspectives on Infrastructure', a visual platform presenting the private sector's views on infrastructure and corruption risks across 15 countries in Africa and Latin America. The content of the platform was developed after consultation with 200 industry professionals. The initiative provides a better understanding of the challenges and opportunities that the private sector faces in infrastructure delivery and was funded by the US State Department as part of CoST's work on Galvanising the Private Sector.

The portal is available in English and Spanish and features a dynamic dashboard highlighting regional findings for comparative insights. Users can also access individual country reports. Both regional and national data can be used by government, media, and CSOs to inform reform efforts and decision making, while the private sector can use it to understand market competition and operating conditions.

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 2025.

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 periodic reviews 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 these reviews 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 charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE (REGISTERED NUMBER: 08159144)**

**REPORT OF THE TRUSTEES
for the year ended 31 December 2025**

FINANCIAL REVIEW

Accounts

The accounts for the year ended 31 December 2025 are shown in this annual report. The accounts show income for the period of £1,873,152 (2024: £1,791,554) and resources expended were £1,871,522 (2024: £1,813,678) resulting in a surplus of £1,630 for the period.

Restricted Funds

The balance on restricted funds at 31 December 2025 is £7,455 (2024 restated: £18,439).

Unrestricted Funds

The balance on unrestricted funds at 31 December 2025 is £27,831 (2024 restated: £15,217).

Reserves

The Trustees have introduced measures aimed at increasing our unrestricted income. This includes taking on more commercial work, but only where this can be done without competing directly with companies who we want to support CoST. This will allow us to gradually build a reserve to help insulate our charitable activities against changing circumstances

Given that CoST does not employ staff, rent property or hold debt, our exposure to risks resulting from changing circumstances is minimal. However, we consider it prudent to establish a reserve to enable us to provide transitional support to partners should our ability to support them be reduced.

Going concern

The trustees have assessed the financial position of the charitable company. Our 2025/26 FCDO contract for £1.5million up to end March 2026 has been granted a further increase of £308k and extended until end June 2026. FCDO have commissioned an independent review, the results of which are being used to inform future grant support. We are currently in discussions with FCDO about the potential for further funding for the 2026/27 financial year.

Our current contract with US State Department was increased from \$1.4million to \$2.9million and extended to end September 2027. This will allow CoST sufficient resources to meet its liabilities as they fall due for at least twelve months.

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

167-169 Great Portland Street
London
W1W 5PF

Trustees

C J Poortman	- Resigned 30 June 2025
P M Matthews	
C Schouten	
R Lifuka	
E Yimer	
P Rincon	
K Chantangkul	
J Mwangi	
R Lall	- Appointed 1 March 2025

The 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

Therese Bateson	- Appointed 29 September 2025
-----------------	-------------------------------

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE (REGISTERED NUMBER: 08159144)**

**REPORT OF THE TRUSTEES
for the year ended 31 December 2025**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Magma Audit LLP
16 Davy Court
Castle Mound Way
Rugby, CV23 0UZ
Magma Audit LLP is part
Of the Dains Group

Bankers

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

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

CoST is adjusting to new circumstances in which demand for our services continues to increase, whilst securing funding to support our work is becoming more difficult. This inevitably means that we have to find ways to do more with less. Measures to achieve this include diversifying our sources of income, increasing the amount of commercial work we undertake and introducing a new business model in which CoST members take more responsibility for meeting their own funding needs.

Despite the challenges we face, global recognition of our work remains very high. We will seek to translate that recognition into new partnerships and practical support. We will prioritise working with those members which have lost momentum recently due to the pandemic, shifting priorities and inadequate funding. We will admit new members, but will stipulate that they need to cover the costs of their programme. We will continue to develop, refine and promote our tools and standards and where possible, utilise them to generate income.

Our ambition remains undimmed and we will continue our innovative and award-winning work for the benefit of people and businesses throughout the world.

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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 Charities 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.

THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE (REGISTERED NUMBER: 08159144)

REPORT OF THE TRUSTEES
for the year ended 31 December 2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

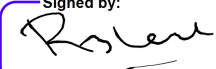
In so far as the trustees are aware:

- 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 27-Aug-26 | 10:46 AM BST and signed on its behalf by:

Signed by:

.....EDD0757BD02D4BD.....
R Lall - Trustee

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

Opinion

We have audited the financial statements of The Construction Sector Transparency Initiative (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2025 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the industry, we have identified that the principal risks of non-compliance with laws and regulations, and we have considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and The Charities Statement of Recommended Practice (SORP). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their accounting estimates, such as those used to assess the recoverability of grant debtors, accrued income, the ability to continue as a going concern and deferred income;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting in error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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

Use of our report

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.

Signed by:

89033FD4135F478...
Ryan Parkin (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
16 Davy Court
Castle Mound Way
Rugby, CV23 0UZ
Magma Audit LLP is part
Of the Dains Group
27-Aug-26 | 11:37 AM BST
Date:

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2025**

		Unrestricted fund	Restricted fund	2025 Total funds	2024 Total funds as restated
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable activities		257,988	1,612,584	1,870,572	1,787,435
Investment income	3	2,580	-	2,580	4,119
Total		260,568	1,612,584	1,873,152	1,791,554
EXPENDITURE ON					
Charitable activities	5				
Charitable activities		208,720	1,641,729	1,850,449	1,803,414
Governance costs		20,497	-	20,497	9,000
Other		576	-	576	1,264
Total		229,793	1,641,729	1,871,522	1,813,678
NET INCOME/(EXPENDITURE)		30,775	(29,145)	1,630	(22,124)
Transfers between funds	14	(18,161)	18,161	-	-
Net movement in funds		12,614	(10,984)	1,630	(22,124)
RECONCILIATION OF FUNDS					
Total funds brought forward		15,217	18,439	33,656	55,780
TOTAL FUNDS CARRIED FORWARD		27,831	7,455	35,286	33,656

The notes form part of these financial statements

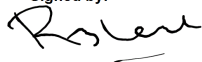
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE (REGISTERED NUMBER: 08159144)

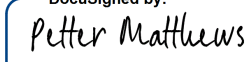
STATEMENT OF FINANCIAL POSITION
31 December 2025

		2025	2024
		£	as restated £
CURRENT ASSETS	Notes		
Debtors	11	75,123	152,482
Cash at bank and in hand		468,681	297,487
		543,804	449,969
CREDITORS			
Amounts falling due within one year	12	(508,518)	(416,313)
NET CURRENT ASSETS		35,286	33,656
TOTAL ASSETS LESS CURRENT LIABILITIES		35,286	33,656
NET ASSETS/(LIABILITIES)		35,286	33,656
FUNDS	14		
Unrestricted funds:			
General fund		27,831	15,217
Restricted funds:			
Restricted funds		7,455	18,439
TOTAL FUNDS		35,286	33,656

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 27-Aug-26 10:46 AM BST signed on its behalf by:

Signed by:

.....EDD0757BD02D4BD.....
R Lall - Trustee

DocuSigned by:

.....C0E3707B679B4AE.....
P M Matthews - Trustee

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**STATEMENT OF CASH FLOWS
for the year ended 31 December 2025**

		2025	2024
	Notes	£	as restated £
Cash flows from operating activities			
Cash generated from operations	1	168,614	64,924
Net cash provided by operating activities		168,614	64,924
Cash flows from investing activities			
Interest received		2,580	4,119
Net cash provided by investing activities		2,580	4,119
Change in cash and cash equivalents in the reporting period		171,194	69,043
Cash and cash equivalents at the beginning of the reporting period		297,487	228,444
Cash and cash equivalents at the end of the reporting period		468,681	297,487

The notes form part of these financial statements

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 December 2025**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	as restated £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	1,630	(22,124)
Adjustments for:		
Interest received	(2,580)	(4,119)
Decrease/(increase) in debtors	77,359	(78,922)
Increase in creditors	92,205	170,089
Net cash provided by operations	168,614	64,924

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/25 £	Cash flow £	At 31/12/25 £
Net cash			
Cash at bank and in hand	297,487	171,194	468,681
	297,487	171,194	468,681
Total	297,487	171,194	468,681

The notes form part of these financial statements

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2025

1. STATUTORY INFORMATION

The charity is a private company limited by guarantee, incorporated in England and Wales (company number: 08159144), and a charity registered in England and Wales (charity number: 1152236). The registered office address is 167-169 Great Portland Street, London, W1W 5PF.

2. ACCOUNTING POLICIES

Company status

The members of the company are the Trustees named on page 4. 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 2019)', the Charities Act 2011 and the Companies Act 2006.

The presentational currency of the financial statements is Sterling (£) and are rounded to the nearest £1.

Going concern

The trustees have assessed the financial position of the charitable company following the net expenditure for the current year. At 31 December 2025 the charity had net current assets and net assets of £35,286 (2024 restated: £33,656). The current contract with US State Department for \$2.9million runs to end September 2027. This will allow CoST to have sufficient resources to meet its liabilities as they fall due for at least twelve months and secure its financial position in the longer term.

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 from grants is recognised in the period in which the charity has met the performance obligations and becomes entitled to the funding. Where funds are received in advance of entitlement, they are recognised as deferred income until the relevant criteria for recognition is recognised.

Non-project related income is recognised over the term of the funding agreement, reflecting the period to which the funding relates and in proportion to the funding earned during that period.

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 consist 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.

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025**

2. ACCOUNTING POLICIES - continued

Fund accounting

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.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, 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 future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

3. INVESTMENT INCOME

	2025	2024 as restated
	£	£
Deposit account interest	<u>2,580</u>	<u>4,119</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024 as restated
	Activity	£	£
Grants	Charitable activities	<u>1,870,572</u>	<u>1,787,435</u>

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

	2025	2024 as restated
	£	£
The UK Foreign, Commonwealth & Development Office	1,792,639	1,577,296
Inter-American Development Bank	-	4,488
The World Bank	-	888
The Water Integrity Network	-	12,049
German Agency for International Cooperation	-	31,746
US State Department Bureau of International Narcotics and Law Enforcement	<u>77,933</u>	<u>160,968</u>
	<u>1,870,572</u>	<u>1,787,435</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025**

5. CHARITABLE ACTIVITIES COSTS

	Total Funds 2025 £	Total Funds 2024 £
Provision of charitable services:		
Supporting national programmes	748,963	855,209
International programme costs	892,766	760,722
Non-project overhead costs	208,720	187,483
	<u>1,850,449</u>	<u>1,803,414</u>

6. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	576	-	576
Governance costs	-	20,497	20,497
	<u>576</u>	<u>20,497</u>	<u>21,073</u>

7. NET INCOME/(EXPENDITURE)

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

	2025	2024 as restated
	£	£
Auditors' remuneration	<u>13,611</u>	<u>9,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2025 nor for the year ended 31 December 2024.

Trustees' expenses

During the year, the trustees' received reimbursement of expenses of £12,654 (2024: £22,101).

9. STAFF COSTS

There were no staff costs for the year ended 31 December 2025 nor the year ended 31 December 2024.

Staff are employed by a connect charity, Engineers Against Poverty. The associated costs are recharged based on the time spent delivering services during the year. Total recharges for the year have been disclosed in note 15.

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025**

10. PRIOR YEAR ADJUSTMENT

A prior year adjustment relating to the correction of the 2024 financial statements has been recognised in the comparative year balances.

The prior year adjustment was made in relation to a material error in the method applied in the recognition of funds due back to donors if not utilised in the period.

The following adjustments have been made in the comparative balances;

Changes in Balance Sheet

	Original	Adjustment	Restated
	£	£	£
Creditors	244,044	172,269	416,313
Restricted funds brought forward	190,708	(172,269)	18,439

There have been no changes to the Statement of Financial Activities.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024 as restated
	£	£
Grant debtors	45,819	-
Other debtors	-	11,312
Prepayments and accrued income	29,304	141,170
	<u>75,123</u>	<u>152,482</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024 as restated
	£	£
Trade creditors	266,763	10,156
Accruals and deferred income	241,755	406,157
	<u>508,518</u>	<u>416,313</u>

Included within accruals and deferred income above includes deferred income totalling £231,655 (2024: £172,269) and represents grant funding received in advance which is subject to performance conditions. Income is recognised in line with expenditure on the related activities. Any unspent amounts are repayable to the funder.

Deferred income reconciliation

	2025	2024 (restated)
	£	£
Balance as at 1 January 2025	172,269	172,269
Amounts released to income during the year	(172,269)	(172,269)
Amounts deferred in the year	231,655	172,269
Balance as at 31 December 2025	<u>231,655</u>	<u>172,269</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025**

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2025	2024 as restated
	Unrestricted fund £	Restricted fund £	Total funds £	Total funds £
Current assets	79,957	463,847	543,804	449,969
Current liabilities	(52,126)	(456,392)	(508,518)	(416,313)
	<u>27,831</u>	<u>7,455</u>	<u>35,286</u>	<u>33,656</u>

14. MOVEMENT IN FUNDS

	At 1/1/25 £	Net movement in funds £	Transfers between funds £	At 31/12/25 £
Unrestricted funds				
General fund	15,217	30,775	(18,161)	27,831
Restricted funds				
Restricted funds	18,439	(29,145)	18,161	7,455
TOTAL FUNDS	<u>33,656</u>	<u>1,630</u>	<u>-</u>	<u>35,286</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	260,568	(229,793)	30,775
Restricted funds			
Restricted funds	1,612,584	(1,641,729)	(29,145)
TOTAL FUNDS	<u>1,873,152</u>	<u>(1,871,522)</u>	<u>1,630</u>

Comparatives for movement in funds

	At 1/1/24 £	Net movement in funds £	At 31/12/24 £
Unrestricted funds			
General fund	13,022	2,195	15,217
Restricted funds			
Restricted funds	42,758	(24,319)	18,439
TOTAL FUNDS	<u>55,780</u>	<u>(22,124)</u>	<u>33,656</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025**

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,119	(1,924)	2,195
Restricted funds			
Restricted funds	1,787,435	(1,811,754)	(24,319)
TOTAL FUNDS	<u>1,791,554</u>	<u>(1,813,678)</u>	<u>(22,124)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/24 £	Net movement in funds £	Transfers between funds £	At 31/12/25 £
Unrestricted funds				
General fund	13,022	32,970	(18,161)	27,831
Restricted funds				
Restricted funds	42,758	(53,464)	18,161	7,455
TOTAL FUNDS	<u>55,780</u>	<u>(20,494)</u>	<u>-</u>	<u>35,286</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	264,687	(231,717)	32,970
Restricted funds			
Restricted funds	3,400,019	(3,453,483)	(53,464)
TOTAL FUNDS	<u>3,664,706</u>	<u>(3,685,200)</u>	<u>(20,494)</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.

THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2025

15. 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 (registered charity no. 1071974). Petter Matthews, a Trustee of the Charity, is also Executive Director of Engineers Against Poverty. During the year, Engineers Against Poverty recharged the Charity £864,658 (2024: £760,260) relating to workshop costs and staff time incurred on the Charity's behalf. At the year end there were accrued costs of £nil (2024: £221,744) and a trade creditor balance of £266,763 (2024: £nil). At the year end there was a debtor balance of £nil (2024: £11,312). The recharge includes an element of Petter Matthews time.

During the year, the charity paid £10,000 (2024: £nil) to CoST Zambia, of which one of the Trustees of the charity is the chairperson.