

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 2024
FOR
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

Magma Audit LLP
Chartered Accountants
Statutory Auditor
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 2024

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THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

REPORT OF THE TRUSTEES for the year ended 31 December 2024

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 2024. 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

In 2024, we remained focused on what matters most, supporting members and partners, refining our tools and standards, meeting our obligations to those who support our work and achieving meaningful impact. Here are some examples of how our work made a difference.

Saving public money

The Thai Ministry of Finance used CoST data standards to publish data on 2,591 investments, generating \$US 73m of cost savings. This contributed to better value for money and better-quality infrastructure and services.

Strengthening institutions

The President of Guatemala endorsed the establishment of a National Infrastructure Commission, following a recommendation from the newly formed National Anti-Corruption Commission. The recommendation was based on evidence presented in nine CoST Guatemala Assurance reports that highlighted delays, cost increases and irregularities in procurement and contracting.

Mobilising the private sector to tackle corruption

With support from the US State Department, we convened 43 private sector representatives from 14 countries at regional workshops in Africa and Latin America to identify solutions that will reduce the risk of corruption in infrastructure investments. These solutions will be developed and implemented in the next period.

Influencing Multilateral Development Banks

CoST authored a World Bank study on 'The Drivers of Delays in the Procurement of Infrastructure Projects.' It analysed data from 480 investments, identified the main causes of delays and made a series of recommendations aimed at addressing them. The report was published by the IMF and is available to policymakers and practitioners.

Building the membership

Zambia and Cali City (Colombia) joined as the 20th and 21st members of CoST. Demand from governments and others for support remains high and we are introducing alternative mechanisms through which that support can be provided.

Strengthening tools and standards

We further developed the Infrastructure Data Standards (IDS) and the Open Contracting for Infrastructure Data Standard (OC4IDS) to better meet the needs of users. Importantly, we introduced new data points to address issues of climate finance and sustainability.

Focusing on data disclosure

CoST members published data on a total of 10,571 projects in the last period. The value of the investments involved was close to \$US 6bn. This data is helping to inform and empower stakeholders and enabling them to hold decision makers to account.

Ultimately, the examples of impact listed here contribute to more and better-quality infrastructure and services. In practical terms, this means people becoming healthier, better educated and more prosperous. It means businesses accessing new markets, creating decent jobs and becoming more efficient. CoST makes an important contribution to these improvements and many more.

Whilst we are proud of our achievements, we are not complacent. We look forward to the next period with even greater ambition and a determination to increase our impact.

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

REPORT OF THE TRUSTEES for the year ended 31 December 2024

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 2024.

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. An updated risk register will be included in the CoST Business Plan 2021- 2025.

FINANCIAL REVIEW

Accounts

The accounts for the year ended 31 December 2024 are shown in this annual report. The accounts show income for the period of £1,791,554 and resources expended were £1,813,678 resulting in a deficit of £22,124 for the period.

Restricted Funds

The balance on restricted funds at 31 December 2024 is £190,708.

Unrestricted Funds

The balance on unrestricted funds at 31 December 2024 is £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.

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

REPORT OF THE TRUSTEES for the year ended 31 December 2024

Going concern

The trustees have assessed the financial position of the charitable company. Our current FCDO contract for 2025/26 totals £1.5million to end March 2026. FCDO have commissioned an independent review, the results of which will be used to inform future grant support. Our current contract with US State Department for \$1.5million runs to end September 2026. We have recently submitted a proposal which will extend the contract to end September 2027 with an additional \$1.4million in funding.

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
5th Floor
London
W1W 5FP

Trustees

C J Poortman	
P M Matthews	
G English	(resigned 26 June 2024)
C Schouten	
R Lifuka	
O Sobolev	(resigned 31 December 2024)
E Yimer	
P Rincon	
K Chantangkul	(appointed 22 April 2024)
J Mwangi	(appointed 26 June 2024)
R Lall	(appointed 1 March 2025)

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.

Auditors

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

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.

THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

REPORT OF THE TRUSTEES
for the year ended 31 December 2024

PLANS FOR FUTURE PERIODS

CoST is adjusting to new circumstances in which demand for our services continues to increase, but also in which securing funding to support our work is 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).

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.

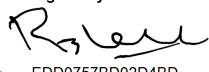
In so far as the trustees are aware:

- 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 30-Sep-25 | 9:42 PM 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 2024 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).

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 2024 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.

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.

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.

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

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.

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:

- Enquiries 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 accrued income and the ability to continue as a going concern;
- 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.

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.

DocuSigned by:


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Victoria Craig (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

01-Oct-25 | 8:50 AM BST

Date:

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2024**

	Notes	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Charitable activities		-	1,787,435	1,787,435	1,219,109
Investment income	2	4,119	-	4,119	3,832
Total		<u>4,119</u>	<u>1,787,435</u>	<u>1,791,554</u>	<u>1,222,941</u>
EXPENDITURE ON					
Charitable activities	4				
Charitable activities		660	1,802,754	1,803,414	1,029,930
Governance costs		-	9,000	9,000	8,606
Other		1,264	-	1,264	-
Total		<u>1,924</u>	<u>1,811,754</u>	<u>1,813,678</u>	<u>1,038,536</u>
NET INCOME/(EXPENDITURE)		2,195	(24,319)	(22,124)	184,405
RECONCILIATION OF FUNDS					
Total funds brought forward		13,022	215,027	228,049	43,644
TOTAL FUNDS CARRIED FORWARD		<u>15,217</u>	<u>190,708</u>	<u>205,925</u>	<u>228,049</u>

The notes form part of these financial statements

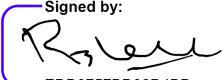
THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE

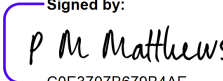
STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	2024 £	2023 £
CURRENT ASSETS			
Debtors	8	152,482	73,560
Cash at bank and in hand		297,487	228,444
		449,969	302,004
CREDITORS			
Amounts falling due within one year	9	(244,044)	(73,955)
NET CURRENT ASSETS		205,925	228,049
TOTAL ASSETS LESS CURRENT LIABILITIES		205,925	228,049
NET ASSETS		205,925	228,049
FUNDS	11		
Unrestricted funds:			
General fund		15,217	13,022
Restricted funds:			
Restricted funds		190,708	215,027
TOTAL FUNDS		205,925	228,049

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 30-Sep-25 19:42:PM BST and were signed on its behalf by:

Signed by:

EDD0757BD02D4BD.....
R Lall - Trustee

Signed by:

C0E3707B679B4AE.....
P M Matthews - Trustee

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**STATEMENT OF CASH FLOWS
for the year ended 31 December 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	64,924	183,377
Net cash provided by operating activities		64,924	183,377
Cash flows from investing activities			
Interest received		4,119	3,832
Net cash provided by investing activities		4,119	3,832
Change in cash and cash equivalents in the reporting period		69,043	187,209
Cash and cash equivalents at the beginning of the reporting period		228,444	41,235
Cash and cash equivalents at the end of the reporting period		297,487	228,444

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 2024**

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

	2024	2023
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(22,124)	184,405
Adjustments for:		
Interest received	(4,119)	(3,832)
(Increase)/decrease in debtors	(78,922)	184,895
Increase/(decrease) in creditors	170,089	(182,091)
Net cash provided by operations	64,924	183,377

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/24	Cash flow	At 31/12/24
	£	£	£
Net cash			
Cash at bank and in hand	228,444	69,043	297,487
	228,444	69,043	297,487
Total	228,444	69,043	297,487

The notes form part of these financial statements

THE CONSTRUCTION SECTOR TRANSPARENCY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

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 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 2024 the charity had net current assets of £205,925 (2023: £228,049) and net assets of £205,925 (2023: £228,049). FCDO have commissioned an independent review, the results of which will be used to inform future grant support. The current contract with US State Department for \$1.5million runs to end September 2026 and have recently submitted a proposal which will extend the contract to end September 2027 with an additional \$1.4million in funding. 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 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 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.

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.

Financial instruments

(i) Financial assets

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

1. ACCOUNTING POLICIES - continued

Financial instruments

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.

2. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>4,119</u>	<u>3,832</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Grants	<u>1,787,435</u>	<u>1,219,109</u>

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

	2024	2023
	£	£
The UK Foreign, Commonwealth & Development Office	1,577,296	976,589
Inter-American Development Bank	4,488	4,294
The World Bank	888	188,853
The Water Integrity Network	12,049	847
German Agency for International Cooperation	31,746	35,325
The Organisation for Economic Cooperation and Development	-	(137)
US State Department Bureau of International Narcotics and Law Enforcement	160,968	13,338
	<u>1,787,435</u>	<u>1,219,109</u>

4. CHARITABLE ACTIVITIES COSTS

	Total Funds 2024	Total Funds 2023
	£	£
Provision of charitable services:		
Supporting national programmes	858,098	408,865
International programme costs	945,316	620,775
	<u>1,803,414</u>	<u>1,029,640</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
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**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

5. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	1,264	-	1,264
Governance costs	-	9,000	9,000
	<u>1,264</u>	<u>9,000</u>	<u>10,264</u>

6. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Auditors' remuneration	<u>9,000</u>	<u>8,606</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

During the year, the trustees' received reimbursement of expenses of £22,101 (2023: £2,127).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Grant debtors	-	7,804
Other debtors	11,312	-
Prepayments and accrued income	141,170	65,756
	<u>152,482</u>	<u>73,560</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade creditors	10,156	8,601
Accruals and deferred income	233,888	65,354
	<u>244,044</u>	<u>73,955</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2024 Total funds £	2023 Total funds £
Current assets	15,217	434,752	449,969	302,004
Current liabilities	-	(244,044)	(244,044)	(73,955)
	<u>15,217</u>	<u>190,708</u>	<u>205,925</u>	<u>228,049</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

11. 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	215,027	(24,319)	190,708
TOTAL FUNDS	<u>228,049</u>	<u>(22,124)</u>	<u>205,925</u>

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>

Comparatives for movement in funds

	At 1/1/23 £	Net movement in funds £	At 31/12/23 £
Unrestricted funds			
General fund	9,719	3,303	13,022
Restricted funds			
Restricted funds	33,925	181,102	215,027
TOTAL FUNDS	<u>43,644</u>	<u>184,405</u>	<u>228,049</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,832	(529)	3,303
Restricted funds			
Restricted funds	1,219,109	(1,038,007)	181,102
TOTAL FUNDS	<u>1,222,941</u>	<u>(1,038,536)</u>	<u>184,405</u>

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

11. MOVEMENT IN FUNDS - continued

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

	At 1/1/23 £	Net movement in funds £	At 31/12/24 £
Unrestricted funds			
General fund	9,719	5,498	15,217
Restricted funds			
Restricted funds	33,925	156,783	190,708
TOTAL FUNDS	<u>43,644</u>	<u>162,281</u>	<u>205,925</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	7,951	(2,453)	5,498
Restricted funds			
Restricted funds	3,006,544	(2,849,761)	156,783
TOTAL FUNDS	<u>3,014,495</u>	<u>(2,852,214)</u>	<u>162,281</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.

12. 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, 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 £760,260 (2023: £453,432) relating to workshop costs and staff time incurred on the Charity's behalf. At the year end there were accrued costs of £221,744 (2023: £53,206). At the year end there was a debtor balance of £11,312 (2023: £nil). The recharge includes an element of Petter Matthews time.

**THE CONSTRUCTION SECTOR TRANSPARENCY
INITIATIVE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2024**

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	4,119	3,832
Charitable activities		
Grants	1,787,435	1,219,109
Total incoming resources	1,791,554	1,222,941
EXPENDITURE		
Charitable activities		
Supporting national programmes	858,098	408,865
International programme costs	945,316	620,775
	1,803,414	1,029,640
Support costs		
Finance		
Bank charges	1,264	290
Governance costs		
Auditors' remuneration	9,000	8,606
Total resources expended	1,813,678	1,038,536
Net (expenditure)/income	(22,124)	184,405