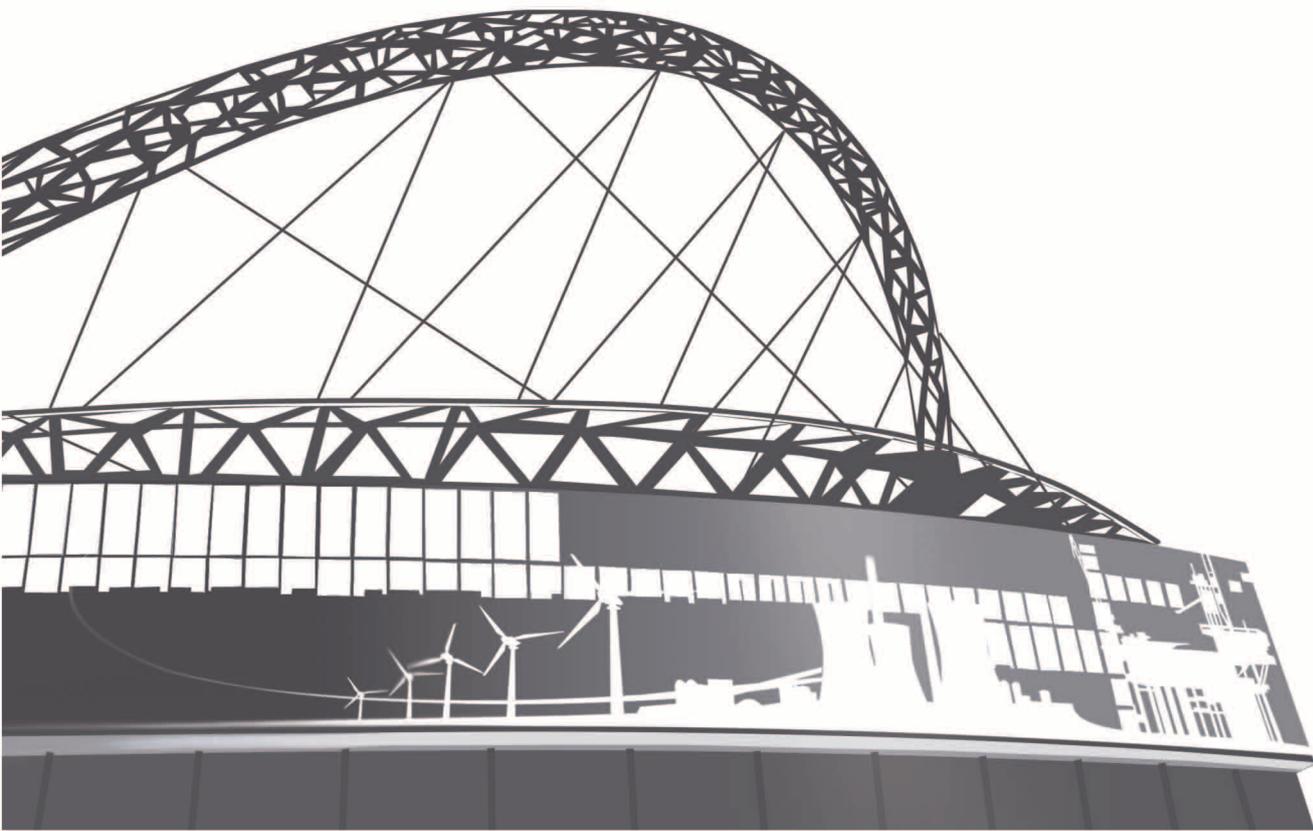




Engineering Construction Industry Training Board

2009



ANNUAL REPORT & ACCOUNTS

2009

Engineering Construction Industry Training Board

Report of the Trustees and Accounts for the Year Ended 31 December 2009

Presented to Parliament pursuant to Section 8(4) of the Industrial Training Act 1982
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CHAIRMAN'S STATEMENT



I am very pleased to report that the ECITB's output performance rose again and delivered skills training to almost 15,000 people in 2009 against a target of 10,800.

There has been sustained training performance across all skill areas in 2009 and continued progress in attracting, developing and qualifying the people needed in our vital industry.

Overall, there were some 15,000 new registrations on ECITB-supported training programmes, plus more than 45,000 people benefiting from safety training. This makes 2009 a bigger success than 2008, despite the impact of the recession. The Gibson Report, 'Changing to Compete', has set out some key goals for the industry as a whole and for the ECITB which are intended to increase competence and productivity. This will ensure that the industry is equipped to win a major share of the new capital investment in nuclear new build, wind and other renewable energy sources, carbon capture and storage, oil and gas, chemicals, refining, food processing and water.

Government recognition of the strategic importance of the industry and of the contribution the ECITB already makes and will make in the future, reflects the effectiveness of our regional, flexible approach which puts employers in direct control of the skills and training in their region through the forums and their Regional Chairs (who also sit on the Main Board).

The ECITB have made representations to Government on the strengths of this approach which is 100% demand led, 100% employer funded and has helped to transform the way training is done. The results are remarkable:-

- 500% increase in apprentice starts each year
- Fifteen-fold increase in the achievement of VQs
- Over 40% of employers using ECITB-approved programmes
- Trebling of the annual output to 15,000 learners

I believe that the engineering construction industry is well positioned to respond well in the recovery. The commitment to and engagement in all aspects of the ECITB's work has been tremendous.

At the end of the year, we revalidated the manpower forecasts. The balanced view was that work would slow in 2010, and that there will be a slower rate of expansion, leading to a workforce of 85,000 – 90,000 in around 2016/17 as the anticipated number of new build programmes picks up.

This means that the longer term challenge for the industry remains to Attract, Develop and Qualify around 44,500 people from across the skills range (apprentices, graduates and personnel from other industries or economies). Therefore, this remains our overall mission.

I am indebted to all of my colleagues on the Board for their support in increasing output again and for their influence in the industry. The Chairs of the Regional Forums have invested considerable effort to help us and I am grateful for their personal and their companies' commitment. Nationally, we will develop further our relationships with the Sector Skills Councils that rely on engineering construction to both assist them and ensure we are working to common, portable standards and qualifications.

We have made good progress in accessing governmental support for the training of apprentices and adult skill enhancement. We were awarded a Train to Gain Compact within England which added to successful initiatives in Scotland and Wales. Additional support has been pledged as a result of the Gibson Report.

Together these increase the impact of the training levy and levers annual government investment of around £15-18 million, virtually matching the training levy raised each year.

Our network of over 220 accredited providers and approved centres continues to grow and will further increase capacity and accessibility of quality assured training in the regions.

ECITB staff have again performed well. They have continued to show dedication and enthusiasm in delivering our exciting vision for the future of skills and training in the engineering construction industry. My thanks to them for a tremendous year.

As in 2008, I am very pleased with the progress in 2009, particularly the response from employers.

We kept our promise to keep accelerating and we commit to this again this year.



T M Lazenby MBE FREng
Chairman

CHIEF EXECUTIVE'S REVIEW



I am delighted with the ECITB's continued positive progress with increases in training being achieved across all programmes and new services introduced in response to employer demand.

In the second half of the year, short course training demand increased significantly as employers responded to the economic conditions by training to both help retain staff and raise skills.

Overall, a total of 729 engineering construction apprenticeships were started in 2009 bringing the total number of apprentices in training to over 2,200. This is a major achievement and much is owed to our employers in supporting the changes necessary to build apprentice volumes.

I am particularly pleased with the response of employers to the new programmes, apprenticeships, short courses, professional development and work-based learning, for engineering, design and procurement employers. We expect these to be increasingly utilised going forward.

The annual survey of employers showed improvement in overall satisfaction to 69.3% from 62.2% in 2008. Whilst this is encouraging with employers valuing the personal contact of an Account Manager very highly, there were areas of dissatisfaction that need to be improved upon.

I am grateful for the efforts and response of all of my colleagues, the support and guidance from the Board, and officials and Ministers in the Department for Business, Innovation and Skills (BIS).

Management & Professional

This area was again in high demand and new programmes were introduced to meet employers' needs to support engineers to reach Chartered status. Project management and supervisory development remain very important elements. New programmes have been introduced, and more are being developed to meet demand, including "Routes to Chartered Engineer" for BEng graduates, expanded CAD/CAE programmes and a renewed suite of project management training options.

A total of 4,900 people were supported across the range including the highest number of people in project management training.

Overall, 18% of charitable expenditure was invested in these areas, including support for 1-day programmes in interpersonal skills, master classes in project delivery, supervisory programmes and MSc's in Project Management.

Apprenticeships

Apprenticeship delivery overall accounts for approximately 52% of charitable expenditure and is understandably a major priority for building the craft and technician workforce needed for the future.

729 apprenticeship starts is a very positive increase from 2008 (636) and 2007 (611), although there are concerns that the ability of employers to sustain these levels in the current economic conditions may reduce.

Our innovative "Construct your life, Engineer your future" campaign was delivered in 180 schools to over 30,000 pupils and, with other careers promotional activity, led to over 4,000 apprenticeship applications being received.

ECITB attended over 50 careers events throughout the UK including schools, colleges and recruitment fairs and Offshore Europe.

Skills & Technical

We have sustained activity in this area, with almost 8,000 learners being supported, including flexible grants being awarded through the Regional Discretionary Development funds.

Overall, these programmes account for around 20% of charitable expenditure and include work-based learning programmes and short course delivery to existing workers, mainly in technical and craft up-skilling.

The most significant growth has been on-line learning programmes which were created for and used by upstream oil and gas employers. In 2010, the reach of these will be extended to other employers.

Awards & Qualifications

Awarding people with the industry's preferred qualifications enables individuals and their employers to be confident in the effectiveness of their training and the skills achieved.

The range of qualifications remains under review as part of a national project to reform vocational qualifications. Employers have led workshops to define needs, and progress is on track to have qualifications in place by the end of 2010.

We continue to support the Client Contractor National Safety Group (CCNSG) in delivering one of the country's leading safety passport schemes and the ACE initiative to assure competence in engineering construction.

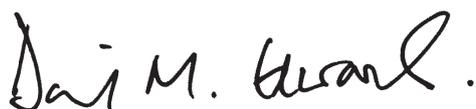
Development and the future

Important research and development work is being undertaken, particularly working with Sector Skills Councils (SSCs), to ensure that engineering construction needs are defined and properly represented to governments in England, Scotland and Wales.

The Gibson Report gave some clear recommendations around apprentices that will be developed in 2010. The biggest challenge will be to at least double the intake of apprentices by 2011. Securing sufficient work experience places from 2012 onwards are priority goals that will require innovation to deliver. Preparation and planning will be done in 2010 to put everything in place.

In England, the Train to Gain Compact has guaranteed the availability of funding for apprenticeships and made governmental funding available for other ECITB programmes.

Skills Development Scotland and the Welsh Assembly have also committed funding for a range of programmes, giving a total government commitment of around **£40m to £45m** over the next three years to support the industry.



David M Edwards
Chief Executive

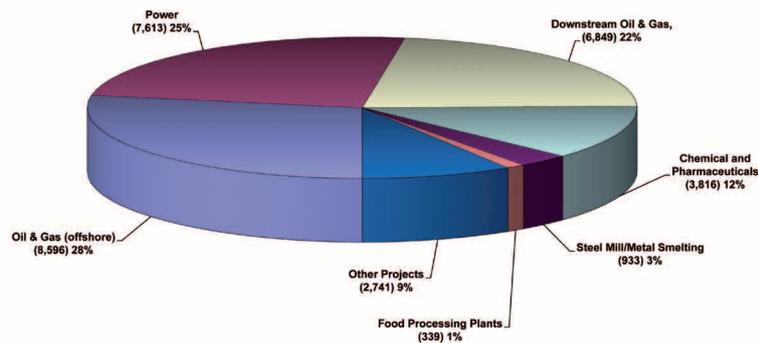
THE INDUSTRY & ECONOMIC ENVIRONMENT

The engineering construction industry plays an important part in the UK economy. It is a specialist sector that is world class in engineering design, project management, construction and maintenance of all types of processing equipment and facilities. The range of disciplines and skill levels involved is wide, from highly experienced project and programme managers responsible for capital expenditure in hundreds of millions of pounds, to skilled craft and technician personnel responsible for the safe construction and installation of individual pieces of equipment.

At its heart are oil and gas production, power generation, refining, water treatment and chemical production. It also includes pharmaceutical production, nuclear materials processing, cement, brick and metal production, waste processing, glass and bottle production and food and drink production.

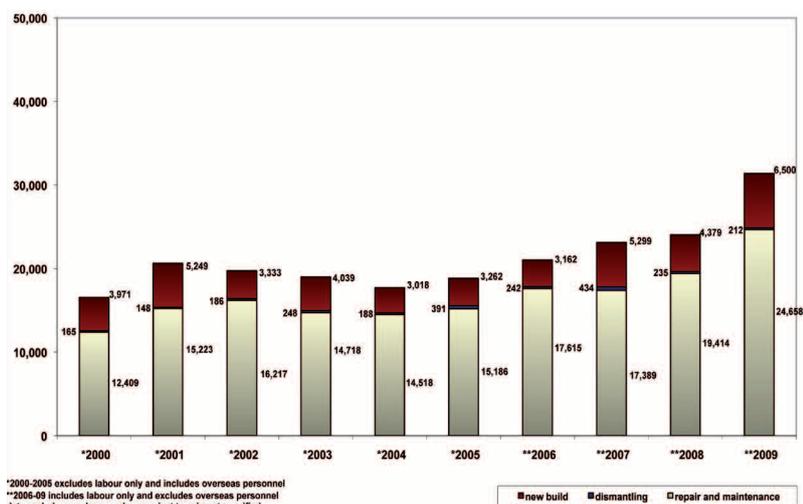
2009 was obviously a very difficult year for many sectors of the economy, and engineering construction was no exception. However, the industry held up very well during this period and the number of people employed actually increased by 5%. There were significant increases in the power generation and downstream oil and gas sectors, due to new build projects such as power stations and LNG storage facilities. However, repair and maintenance work also increased across the industry as essential projects could not be delayed any further, although there were variations regionally.

2009 Estimated Employees* Onsite by Project Category in Great Britain as at spot date



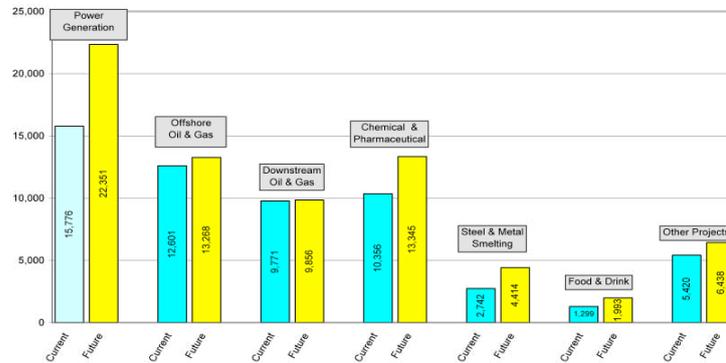
* excludes overseas locations

Ten Year Estimated Onsite Employment Trend: Dismantling, New Build and Repair and Maintenance as at spot date

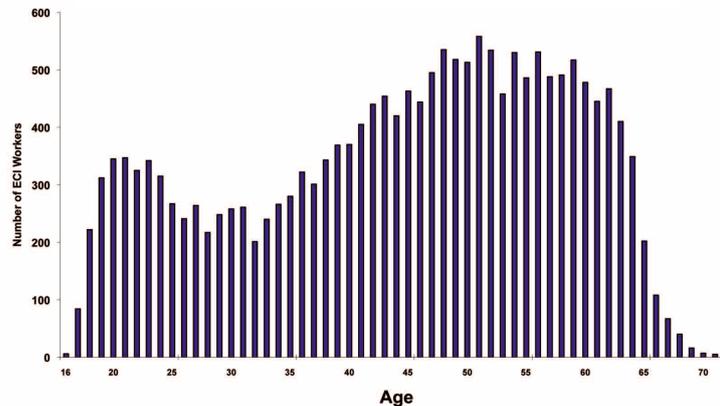


*2000-2005 excludes labour only and includes overseas personnel
 **2006-09 includes labour only and excludes overseas personnel
 data excludes employees where project type is not specified

Comparison of Current & Projected Future Activity by Sector



Engineering Construction Industry Age Profile Analysis (2009)



The increase in employment also resulted in an increase in the number of learners engaged in ECITB programmes. Apprenticeship recruitment maintained 2008 levels as employers geared themselves up for an increase in future work, principally due to the power station new build programme.

In 2009 the Government announced plans for 10 new nuclear, 4 gas and 2 coal-fired power stations, as well as a number of renewable energy facilities.

The projected increase in work over the next 10-15 years will require a significant increase in manpower and skills, and productivity levels will need to be maintained and enhanced.

It is important to note that the engineering construction industry is significant on a world scale. Engineering employers based in the UK already deliver major projects across the world and with the global need for clean energy the future prospects for the industry are positive provided the skills base is maintained.

The Gibson Report (1) highlighted the importance of the industry and that project performance needed to increase further by improving our project management, supervisor and construction management. Doing these things as well as increasing the skills pool will increase the UK's reputation and make it attractive for inward investment as well as generating more export earnings.

The future projections show that the industry will need to grow to meet demand. Analysis suggests there will be:-

- 14,000 apprentices needed
- 7,000 new graduate entrants needed
- 18,000 re-skilled individuals needed across all levels from other industries
- 6,000 project management and professional level personnel needed

To achieve this in a reasonable time frame, ahead of the demand in the 2015 – 2025 period, the recruitment and training rate needs to double.

(1) Changing to Compete Review of Productivity and Skills in UK Engineering Construction (published December 2009)

ACTIVITIES & MISSION

The ECITB's charitable activities

The ECITB's charitable activities are in four main areas that are set out below. Together these form an integrated approach that enables the ECITB to assist individuals and employers to develop their skills and capabilities.

Pathways to enter the industry are provided for school leavers, the unemployed and graduates. Ongoing support is then available to assist re-skilling, skill enhancement and professional development.

At virtually every step, achievement of skills is marked by the award of qualifications that are recognised and portable.

Apprenticeships and Careers

This activity is geared towards encouraging people to seek, and helping them gain, access to worthwhile careers in engineering construction. The main activity in attracting young and new people revolves around the ECITB's apprenticeship programme which recruits individuals to apprenticeship programmes with industry employers and accredited training providers.

Evidence shows that young people in particular are showing much more interest in apprenticeships than before. The ECITB's aim is to ensure that school students are made aware of the opportunities in the industry. To achieve this and to ensure sufficient quality applicants for apprenticeships, the ECITB supports an annual programme of careers events and marketing to schools and colleges.

Skills & Technical programme

The ECITB's principal activity in this area is the provision of a range of flexible training programmes, designed to develop or 'up-skill' existing workers from a wide spectrum, but normally with some existing technical competence.

Management & Professional programme

The ECITB offers a comprehensive range of training programmes and courses within technical, supervisory and managerial disciplines, which are principally designed to up-skill professional engineers, supervisors and the like.

Awards & Qualifications

The ECITB's principal activities in this area are:-

- Awarding Body - assessing, verifying and awarding National and Scottish Vocational Qualifications
- Accrediting and quality assuring training and assessment providers
- Assuring Competence in Engineering Construction (ACE)
- Client Contractor National Safety Group (CCNSG) Safety Passport Scheme
- Engineering Construction Industry (ECI) Skills Database Scheme (new registrations ceased to be taken in 2008)
- Development of training products and services, including National Occupational Standards, that contribute to the competence of individuals

New titles for the ECITB's charitable activities

It should be noted that from January 2009 the names under which the ECITB's charitable activities are undertaken changed, as follows:-

| Former name of charitable activity | New title |
|--|-------------------------------------|
| Recruitment and development of new industry entrants | Apprenticeships and Careers |
| Up-skilling the existing workforce | Skills & Technical Programme |
| Technical, Supervisory and Management Programmes | Management & Professional Programme |
| Competence Assurance | Awards & Qualifications |

These changes have not affected the nature of the ECITB's purposes or activities. However, they more closely reflect the manner in which the ECITB presents and delivers its services to the engineering construction industry.

The ECITB's Mission

The ECITB's Mission can be stated very simply as being the delivery and enabling of training to ensure that employer's skills and competence needs are met.

The ECITB's focus is to support the core technical and engineering skills necessary for the industry to prosper. The strategy is to put in place programmes to **Attract** people to the industry, **Develop** them through a network of accredited training providers and **Qualify** them to industry standards (assure competence).

In order to do this the ECITB works in close partnership with employers and provides significant skills development support to them financially, giving expert advice and brokering access to training and assessment services.

OBJECTIVES, ACHIEVEMENTS & CHALLENGES IN 2009

In 2009, the ECITB maintained, and in a number of notable instances increased, the levels of training delivered across the board.

The engineering construction industry was severely affected by the economic climate in 2009. A number of projects were deferred and in some instances cancelled. The most severely affected regions were the North East of England and South Wales. Both of these regions are heavily reliant upon the steel industry which was severely hit by the economic situation. In addition, the North East was also affected by the decline in the bulk chemical industry. In effect, the North East was adversely affected by two industrial sectors that up to this point have made the region a hot spot for engineering construction activity. Wales on the other hand has seen new work arriving through gas and power projects in Pembrokeshire and Newport. The timing of these projects did not assist in Wales as much as expected. However, going forward, Wales looks to be in a far stronger position than the North East.

The ECITB's goal in 2009 was to maintain the step change in training that took place in 2007 and 2008. 2009 was concerned with consolidation of this increase in training across the industry. This goal was achieved as the figures below show. Overall, there was an increase in training, although in Skills & Technical training there was a decrease in comparison with 2008. However, the biggest increase occurred in the Management & Professional area, which is dominated by short off the job type training courses, whereas Skills & Technical training and Apprenticeships are associated with longer term training allied to N/SVQ Level 2 and 3 qualifications and work-based training. It would appear that the decrease in these areas was due to a combination of reasons - staff being laid off, employers not prepared to take on long term training commitments and staff not prepared to make a long term commitment to training.

| Programme | Planned | Achieved |
|--|--------------|---------------|
| Apprentices recruited | 721 | 729 |
| TECSkills registrations (Skills & Technical Programme) | 860 | 683 |
| Management & Professional programmes undertaken | 3,700 | 4,954 |
| ACE Registrations (Awards & Qualifications) | 1,300 | 1,363 |
| Learners supported by Regional Discretionary Grants | 2,560 | 7,409 |
| Total | 9,141 | 15,138 |

The ECITB supported approximately 15,100 learners in 2009 (12,800 in 2008) across all programmes. In addition, approximately 45,000 ECITB Safety Passports were issued (over 50,000 in 2008). Overall, the ECITB exceeded its targets for 2009 by over 50% and had a 20% increase in year on year figures.

Apprenticeships and Careers

The ECITB's apprenticeship recruitment held up in 2009, despite the difficult economic conditions confronting the industry. The ECITB exceeded its target for recruits by approximately 2%. However, to achieve this target, a number of imaginative ways needed to be used to encourage employers to take on apprentices. In a number of instances (approximately 150), ECITB has trained additional apprentices to maintain cohort sizes without an employer commitment. This is a risk that was undertaken with the full understanding and support of employers.

The ECITB understands that in the longer term there will be a large number of opportunities for skilled, competent technicians in the industry, but in the short term there is a shortage of such opportunities. It means that in 2010 the ECITB will be looking to get these apprentices employment opportunities to enable them to complete their Advanced/Modern Apprenticeship. In 2009, the ECITB supported over 2,000 apprentices across the various stages of the programme. Furthermore, over 400 apprentices completed their apprenticeships.

Skills & Technical programme

In 2009, Skills & Technical learner registrations for programmes leading to N/SVQ qualifications were well below expectation. In the area of Endorsed Courses, the ECITB licenses training providers to deliver specialist training in specific disciplines such as bolt-tensioning and instrument pipefitting which resulted in a small but positive increase in learner numbers. Once again, this suggests that due to the economic climate, the industry was more inclined to undertake up-skilling in specific areas and was not necessarily prepared to commit to longer term re-skilling of new entrants and existing staff.

Management & Professional programme

The targets for 2009 in this area were exceeded by over 30%. From discussions with industry stakeholders and learners it appeared that some employers were using the economic downturn to carry out training of their staff in this area. The type of training offered in this area was predominately short, off the job type courses.

In 2009, the Management & Professional area of the ECITB started to move towards a totally grant aided model for the delivery of these programmes, and to move away from the 'free training' provision. This has proved successful in that employers now have a direct relationship with the training providers and a wider choice. It is also a source of additional income for the ECITB enabling the organisation to develop and deliver more training.

Awards & Qualifications

Work in 2009 was dominated by the Vocational Qualifications Reform Programme (VQRP), which requires the ECITB to revise and reformat all of its existing National Vocational Qualifications (NVQs) for inclusion in the new Qualifications and Credit Framework (QCF).

This was done through a series of workshops with industry personnel, training providers and assessors and verifiers. 13 workshops were held in total, covering 13 different qualifications. The remaining 5 qualifications will be reviewed in 2010, along with workshops to develop new qualifications.

Few significant issues were raised and the majority of the qualifications have been revised with minimal change. Those that have required more significant change have been agreed with industry.

A new committee was formed to oversee the VQRP work and the work of the Awarding Body. The Committee met twice in 2009.

Other significant activities undertaken as part of the VQRP included:-

- Updating the ECITB Qualifications Strategy and Action Plan
- Comprehensively reviewing and updating the industry's Occupational and Functional Map
- Developing the Career Progression Route Map
- Developing new qualifications for Tray Fitters (Vessels and Columns) and commencing work on Expediting, Plant Layout and Design, Estimating, Cost Engineering, Commercial Support and Planning programmes

Alongside this qualification development work, the ECITB Awarding Body successfully continued to deliver the existing National and Scottish Vocational Qualifications.

In 2009 there were:-

- 1,363 ACE qualification registrations
- 1,373 non-ACE qualification registrations
- 996 ACE qualification certifications
- 1,121 non-ACE certifications

OBJECTIVES, ACHIEVEMENTS & CHALLENGES IN 2009

Of particular note in 2009 was the significant rise in the number of out-of-scope employers utilising ECITB qualifications. This resulted in a substantial rise in income for the Awarding Body.

A new Assessor and Verifier training programme was developed and implemented. The programme provides Approved Centres with all the information needed to train and induct new Assessors and Verifiers.

Significant development work was also undertaken on the suite of Project Management and Project Control courses, and the ECITB was successful in obtaining Association of Project Management accreditation for its project management programmes. Further development of the Supervisory, Management Training and Development programme took place, and the TECSkills material received further attention. In addition, work commenced on developing Technical Trade Tests for each major discipline, linked to TECSkills and the associated qualifications.

Linked to and integrated with all of this development work was the successful re-branding of all ECITB products and services. This has strengthened the corporate name and brand and better describes the ECITB portfolio.

A new improved website was also developed and launched to support the branding and provide detailed information.

The ECITB also participated in providing information to the Department for Business, Innovation and Skills (BIS) for the National Strategic Skills Audit. The ECITB took responsibility for developing a Labour Market Information Report on the Engineering Construction Industry and significantly contributed to a report on Low Carbon.

As part of the ECITB's drive for greater efficiency and effectiveness, all accreditation and monitoring activities of its network of training providers was brought in-house. The new Training Provider Accreditation & Monitoring Team was fully established and embedded into all ECITB activities.

PLANS FOR THE FUTURE

Overall, within its core training areas the ECITB is looking to:-

- Increase learner registration numbers in line with the Gibson Report recommendations
- Prepare for the qualification changes that will occur in 2011
- Work closely with employers to help them to build capacity and take advantage of all channels of public investment in skills

With this in mind the ECITB has set specific targets within the following key areas:-

| Programme | Planned |
|--|----------------|
| Apprentices recruited | 680 |
| TECSkills registrations (Skills & Technical Programme) | 925 |
| Management & Professional programmes undertaken | 4,900 |
| ACE Registrations (Awards & Qualifications) | 1,230 |
| Learners supported by Regional Discretionary Grants | 2,850 |
| Total | 10,585 |

The main objectives in each area of charitable activity in 2010 are as follows:-

Apprenticeships and Careers

The ECITB plans to recruit 680 Apprentices in 2010.

New apprenticeship frameworks have to be in place before the bulk of the apprentices start their apprenticeships in September 2010. This will undoubtedly bring with it some transitional problems, but in the longer term these changes have the potential to offer more flexibility in line with employer requirements.

Overall, the ECITB expects recruitment to be affected by the economic climate, but regions are confident that this level of recruitment can be achieved.

Skills & Technical programme

The ECITB plans to recruit 925 Skills & Technical learners in 2010.

The drop in training associated with longer term N/SVQ Level 2 and Level 3 training experienced in 2009 has been addressed by making a significant change to the grant structure in 2010. Previously, the ECITB awarded a grant of £200 per N/SVQ unit undertaken by a learner, subject to a number of conditions. In 2010, the grant for the same programmes has been increased to £300 per unit and the conditions have been relaxed to allow more learners access to supported programmes.

This change has been made to encourage employers to use the training associated with N/SVQ units which are obviously shorter than the full N/SVQ training. This will allow learners to build up small credits over an extended period that will ultimately lead to an N/SVQ.

Management & Professional programme

The ECITB plans to recruit 4,900 Management & Professional learners in 2010.

The encouraging results achieved in 2009 have led ECITB to set even higher targets for this area in 2010. The ECITB plans to roll out a number of new programmes in this area including:-

- Project Management programmes allied to APM
- NEBOSH courses
- Project Control courses

PLANS FOR THE FUTURE

The grant-based training delivery model will be expanded into additional areas of training in 2010, and the provision of 'free training' will diminish and eventually be phased out in all areas.

Competence Assurance and Safety Passport Schemes

The ECITB plans to recruit 1,230 candidates onto our ACE initiative in 2010.

The ACE initiative has started to become more important within the engineering construction industry as employers and clients are being required to prove the competence of their staff. ACE is a well respected initiative that is managed by the ECITB on behalf of the ACE Industrial Steering Group.

The ECITB expects a broadening of the registration process in 2010, and hopes to introduce a renewal process that allows competency to be proven at each renewal point.

The ECITB plans to issue 50,000 Safety Passports in 2010.

The CCNSG (Client Contractor National Safety Group) Safety Passport Scheme is a respected and established scheme that has issued over 500,000 cards since its inception. The scheme has proved its worth by improving safety on sites. All studies undertaken to assess the effectiveness of this scheme have shown a real improvement in safety statistics for site-based employees following the introduction of the scheme. The scheme is made up of two cards, a CCNSG Safety Passport card and a CCNSG Supervisor Card. Each card has a three year renewal process.

In 2010, the ECITB expects to improve the existing supervisor training programme and upgrade the renewal process.

Awards & Qualifications

Vocational Qualifications Reform Programme

As in 2009, 2010 will be dominated by Vocational Qualifications Reform Programme (VQRP) work. This is a strategically important piece of work for the ECITB and the industry as a whole, as it will involve the revision and re-formatting of all the ECITB's qualifications for migration from the National Qualifications Framework (NQF) to the new Qualifications and Credit Framework (QCF).

In addition, new qualifications will be developed to meet identified needs. These new and revised qualifications will underpin much of the ECITB's future work in Skills & Technical, Management & Professional, Apprenticeships and ACE and therefore it is crucial that the work is completed on time, to budget and meets all of the requirements of the industry and regulatory authorities.

The primary objectives are to:-

- Secure regulatory approval to operate within the Qualifications and Credit Framework
- Migrate all existing ECITB NVQs to the new Qualifications and Credit Framework by January 2011
- Migrate those existing ECITB SVQs specified by engineering construction employers to the Scottish Credit and Qualifications Framework
- Maintain central funding for qualifications outcomes of apprenticeships and for sector compacts from 2010
- Complete the non-qualifications actions defined in the Qualifications Strategy Action Plan in accordance with defined budgets and timescales, particularly the development of Career Progression Routes
- Develop new qualifications to meet the needs of employers and provide clear career development opportunities

Education and communication of the VQRP work and the design, function and implications of the new Qualifications and Credit Framework will also be vitally important for all stakeholders in the industry. A communications plan has been developed and will be implemented throughout 2010. This will ensure that all interested parties are clear on what is involved and when it will happen.

Research & Development

Much of the Research & Development team's work in 2010 will be in support of the VQRP, and individual Project Managers will be engaged on the objectives listed above. However, there are other business drivers for the function including:-

- The requirement for enhanced productivity in the industry, particularly in supervision and management
- Attainment of professional recognition for engineers
- Customer Survey feedback
- Commercial opportunities

These will result in the following activities:-

- Delivery of the products and services required as part of the Qualification Strategy and Action Plan for the Engineering Construction Industry
- Delivery of the products and services identified as required by the Programme Heads and Regional Account Managers
- Maintaining existing products and services to meet external changes
- Researching the need for new products and services as a result of strategic reviews (ECI Productivity Review) and changes
- Focusing on procurement related training and commercial awareness
- Continuing to develop routes from BEng to MEng
- Facilitating productivity improvement
- Improving the visibility of bridges and pathways for career and personal development

Awarding Body

2010 will be an extremely demanding year for the Awarding Body. It will have to maintain its delivery of the industry's N/SVQs to the standards expected by employers, approved centres and the regulatory authorities, whilst at the same time prepare itself to operate in the new QCF. There are a number of very clear objectives that will have to be completed in 2010 to achieve this goal including:-

- Obtaining accreditation for the existing revised vocational qualifications
- Obtaining accreditation for the new qualifications
- Re-writing all of the existing Assessment Guidance Booklets and Standard Information Booklets (to be called Qualification Information Booklets)
- Developing Assessment Guidance and Qualification Information Booklets for the new qualifications
- Revising all NQF documentation for the new QCF
- Educating all External Verifiers and Approved Centres regarding the changes
- Developing a new MIS system capable of dealing with the new credit and level requirements

Training Provider Accreditation & Monitoring

This new function is at the heart of assuring the quality and consistency of delivery for employers. It became fully operational in August 2009. The main objectives for 2010 therefore are to:-

- Fully embed the audit and quality assurance system across all programmes to ensure consistent, high quality delivery that meets the required standards
- In conjunction with the industry Programme Heads, utilise the audit findings to improve and enhance programmes as necessary
- Develop an audit system for use with TECSkills delivery on site

PLANS FOR THE FUTURE

Research & Information

The function provides quality information, analysis and related services to ECITB management and industry to enable informed decisions to be made about operational and strategic training provision and development. It does this through:-

- Undertaking primary and secondary research projects relating to ECITB core work and activities, covering skills and workforce development issues
- Updating and maintaining the existing suite of labour market datasets and reports, through collation and interpretation, to provide informative labour market intelligence
- Manipulating, extracting and delivering data analysis and identifying trends, patterns or associations in the data both regionally and nationally
- Designing questionnaires and developing and conducting surveys

In 2010, the function will develop:-

- The Annual Employer and Learner Activity Balance Sheets
- The Annual Industry Report
- The Annual Labour Market Information Statutory Returns
- The Customer Survey
- The Key Performance Indicators (KPIs) and other corporate performance measures

STRUCTURE, GOVERNANCE & MANAGEMENT

ECITB's statutory basis and charitable status

The Engineering Construction Industry Training Board ("ECITB") is a statutory body governed by the Industrial Training Act 1982 (as amended) ("the Act"). The Industrial Training (Engineering Construction Board) Order 1991 (Statutory Instrument 1991 No. 1305) defines the activities of the engineering construction industry in Schedule 1 thereto. Full details on the powers and responsibilities of the ECITB, as well as the restrictions placed on it, can be found in the Act. The ECITB is a Non-Departmental Public Body (NDPB), and its Government sponsor body is the Department for Business, Innovation and Skills (BIS). The Secretary of State for Business, Innovation and Skills appoints Board members.

The ECITB has responsibilities to Parliament and to its industry. It was formed in recognition of the engineering construction industry's vital role in the UK economy and the requirements for a statutory body to undertake the responsibilities of delivering the special training needs of an industry where the labour force is highly mobile and where there is less opportunity for individual employers to train.

The ECITB is also a registered charity in England and Wales and undertakes charitable activities in Scotland.

The charitable activities of the ECITB are partly funded by the statutory levy established by the Act and confirmed by Levy Orders passed by both Houses of Parliament. The levy applies to all in-scope establishments to ensure greater equity across employers in the industry in the provision of training. The most recent Levy Order is the Industrial Training Levy (Engineering Construction Board) Order 2009 (2009 No. 549), which was enacted on 3 March 2009 and came into force on 4 March 2009.

How decisions are made

Board and Committees

The Board of Trustees

The Board of Trustees (the Main Board) is responsible for ensuring that the ECITB performs within its remit and all applicable legislation. It is also responsible for setting the strategy and overseeing the exercise of these powers. The Board members are also the trustees of the ECITB as a registered charity. As such they will need to take account of any guidance issued by The Charity Commission from time to time.

The following are the main issues that require the support and/or action of the Secretaries of State (England and Wales and Scotland). These all require endorsement and recommendation from the Main Board.

- Recommending to Parliament the raising of a levy
- Laying the Annual Report and Accounts before Parliament
- Endorsement of the Strategic Plan
- Approval of grant schemes
- Approval of information to be collected from employers
- The delegation of functions to a Committee and approval of any allowances to Committee members for loss of remunerative time

In addition to approving recommendations to the Secretaries of State as set out above, the Main Board has the following responsibilities:-

- Appointing the Management Board, agreeing Codes of Practice and recommending any remuneration for the non-executive members
- Recommending the Terms of Reference of and powers delegated to the Management Board and to other Committees
- Setting and endorsing the Strategic Plan and agreeing the annual Business Plan and Budget, together with appropriate performance measures to be used to monitor progress
- Receiving reports from the Management Board on progress against the Business Plan
- Approving the Annual Report and Accounts
- Setting the Risk Management strategy and reviewing its operation
- Appointing the Audit Committee Chair and Members, and the Internal Auditors
- Considering the annual report from the Audit Committee supported by reports from the external and internal auditors
- Appointing the Qualifications & Awards Committee Chair and Members

STRUCTURE, GOVERNANCE & MANAGEMENT

The Management Board

The Main Board has delegated powers to the Management Board which are set out in sections 5, 10 and 14(5) of The Industrial Training Act 1982.

The Management Board's responsibilities are to:-

- Direct the operations of the ECITB
- Ensure that the ECITB operates within the approved budget with power to agree virement between heads of expenditure
- Propose to the Board the rates of levy to be raised
- Monitor performance using agreed key performance indicators
- Act as the Remuneration Committee of the ECITB, setting overall policies and levels and approving the remuneration of the Directors
- Agree the products and services to be offered to meet the needs of the industry and any charging policies (as defined in Section 5 of The Industrial Training Act 1982 and the appeal function defined in Section 14(5) of the Act)
- Appoint Investment Managers and monitor their performance within the guidelines set by the Secretaries of State and The Charity Commission
- Report to the Board at agreed intervals on performance
- Propose to the Board the annual Budget and Business Plan
- Appoint bankers and agree appropriate mandates
- Agree the powers delegated to staff

The Main Board has delegated responsibility to the Management Board to form the Remuneration Committee.

The Audit Committee

The Main Board, taking account of any Treasury guidance and good practice in respect of Audit and Control, appoints members of the Audit Committee. Its Terms of Reference are to promote the highest standards of propriety in the operation of the ECITB by maintaining an overview of its financial and other systems to ensure their effectiveness and integrity of operation. The Committee will receive reports from the Board's internal and external auditors as appropriate.

The Main Board appoints members of the Committee. The aim is to have between 5 and 7 members of whom 2 or 3 are not members of the Main Board. The Chair is a Main Board member who is not the Chair of the ECITB. Representatives of internal and external auditors are invited to attend all meetings. These representatives will have free and confidential access to the Chair of the Audit Committee if required at each meeting or during the year as appropriate. The Committee normally meets three times per year, although additional meetings may be arranged if necessary. Of these, one meeting will be before the year-end to review plans for the external audit and one will be after the year-end to review the accounts and reports and consider the internal audit programme for the year. Minutes are taken of the meetings which record actions to be taken, by whom and when and, where necessary, reporting lines for progress.

The specific duties of the Committee are to:-

- Review the ECITB's Risk Management Policy and recommend it to the Board for approval. To review and monitor its implementation
- Review the ECITB's financial statements and reports to ensure that they reflect best practice
- Review the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff
- Consider all relevant reports by the appointed external auditors, including reports on the ECITB's accounts, achievement of value for money and the response to any management letters
- Ensure that the internal auditors monitor the effectiveness of the ECITB's internal control system established to ensure that the aims, objectives and key performance targets of the ECITB are achieved in the most economic and effective manner
- Ensure that the ECITB's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual and complies in all other respects with these guidelines and meets agreed levels of service
- Consider and advise the Board on the ECITB's annual and long-term audit programme
- Consider any internal audit reports, including value for money reports and the arrangements for their implementation
- Review the operation of the ECITB's Code of Practice for Board Members and Code of Conduct for staff
- Consider any other matters where requested to do so by the Board
- Report at least once a year to the Board on the discharge of the above duties

The Qualifications & Awards Committee

In May 2009 the Qualifications & Awards Committee was formed. The role and responsibility for Qualifications & Awards previously held by the Audit Committee were assumed by the new committee.

The Main Board appoints members of the Qualifications & Awards Committee. The aim is to have 9 members. The Chair is a Main Board member who is not the Chair of the ECITB. The Committee normally meets four times per year, although additional meetings may be arranged if necessary. Minutes are taken of the meetings which record actions to be taken, by whom and when and, where necessary, reporting lines for progress.

The specific duties and terms of reference of the Committee are to:-

- Approve the development and implementation of all new ECITB qualifications and awards
- Ensure that all qualifications and awards given or recognised by the ECITB are supported with appropriate approval and assessment processes
- Advise on all aspects of the Vocational Qualifications Reform Programme, specifically the implementation of the Qualification Strategy Action Plan and the transfer of ECITB qualifications from the National Qualifications Framework to the new Qualifications and Credit Framework
- Monitor progress towards the achievement of the ECITB's Awarding Body's strategic plans for OfQual or SQA, including making any recommendations for new awards
- Review the operation of procedures for ensuring the independence and integrity of systems for awarding qualifications
- Advise on procedures for assessment and verification, ensuring value for money in delivery
- Review audit reports from the regulatory authorities and endorse any resulting action plans
- Advise on any sanctions imposed upon approved centres and any appeals, which may result from such sanctions
- Monitor and regulate ECITB provider approval and accreditation processes to ensure quality and rigour
- Review the operation of the ECITB's procedures for ensuring the independence and integrity of its systems for awarding qualifications

Regions

The ECITB has a regional service structure so that ECITB's delivery of training support and services is driven by the demands of industry on a regional basis. The ECITB has organised its regional structure into seven 'regions' and two national groups which ensure that the varying requirements of the industry across the UK are represented in the formulation of policy and the delivery of services.

The ECITB 'regions' either represent geographical areas where there are high levels of engineering construction activity, or specific and significant industry sectors, which have particular requirements. The Regions/Forums are as follows:-

Regional Forums

- Scotland
- North East England
- North West England
- Yorkshire & Humberside
- Wales & South West England
- The Midlands
- South East & East England

National Forums

- The Offshore Industry
- The Off-site Industry

STRUCTURE, GOVERNANCE & MANAGEMENT

Each Forum comprises of industry employers. The Forum's normally meet three times a year, under the chairmanship of a Main Board member (the Regional Chair). Through this structure ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitment and training needs. ECITB also works closely with other key regional stakeholders, such as industry clients, regional development agencies, local government agencies, funding bodies, local authorities, training providers, trades unions and the workforce.

Under the ECITB's governance model, Forums are empowered and operate as "business units" charged with supporting the achievement of the agreed strategic goals by the development and delivery of regional operating plans.

In broad terms, the Regional or Forum Chair leads on behalf of the Main Board, ensuring effective governance and the creation of a regional operating plan (targets and outcomes) and budget (financial resources). He/she will also provide support and guidance to the staff of the ECITB. In turn, the staff will be accountable for delivery of the agreed regional operating plan.

The regional plan will include training targets, the mix and methods required to meet its needs together with leveraged funding arrangements. Such targets and objectives may vary between regions. Furthermore, each regional plan will determine the training providers and partners engaged to deliver regional outcomes, subject to satisfying relevant procurement requirements.

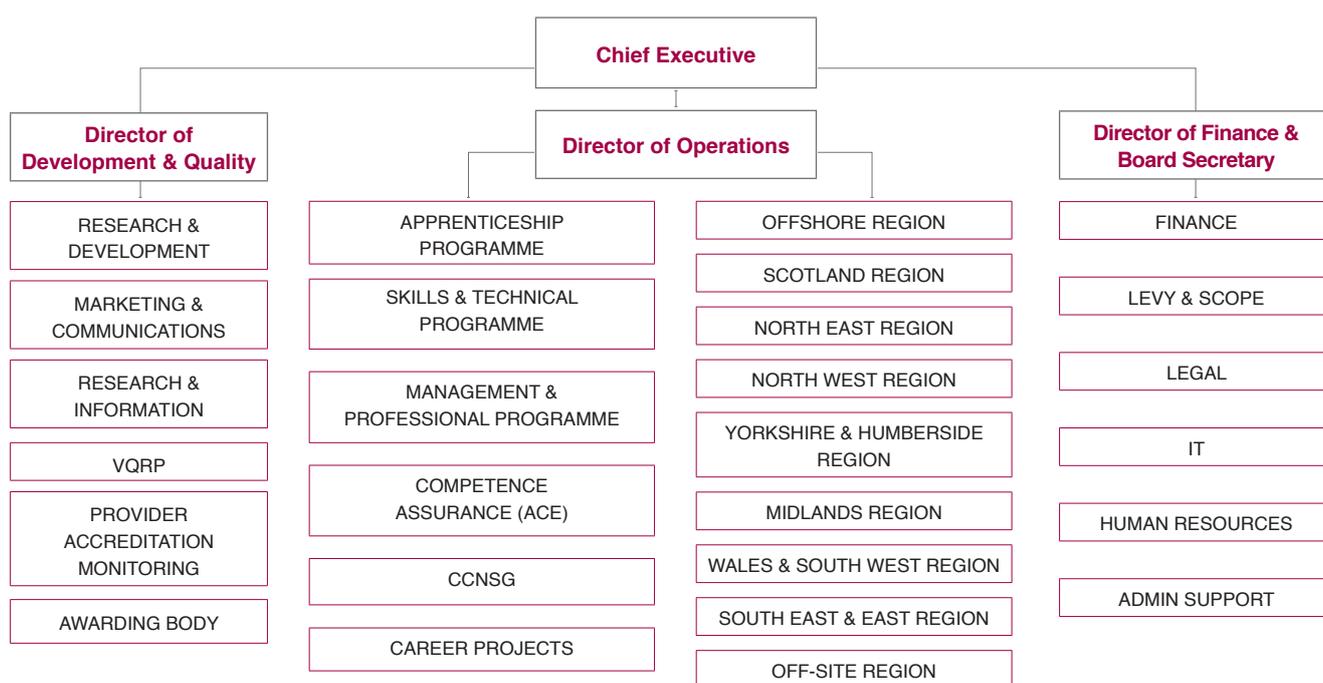
Management and staff

The Main and Management Boards have delegated responsibility for the implementation of the ECITB's strategic plans, and the management of the organisation to the Chief Executive. The Chief Executive forms part of, and presides over, the organisation's executive management team (the Executive Team). This comprises the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations and the Director of Development and Quality ("the Directors"). The ECITB's management and organisation structure has been divided into the following directorates:-

- Operations
- Finance & Administration (including Levy, Compliance, and Human Resources)
- Development & Quality (including Awarding Body)

Each director is responsible for ensuring that the activities of each directorate are managed to ensure that the achievement of the ECITB's strategic and regional objectives are conducted efficiently, to the highest quality standards, and in compliance with the law.

The principal responsibilities for each directorate are shown below.



REMUNERATION REPORT

Staff Appointments

Permanent employees of the ECITB are employed under open-ended contracts of employment, which may be terminated on one month's notice (subject to statutory increases in employees' entitlements to notice). The only exceptions to this apply to senior staff as described below.

There were no employees engaged under fixed term contracts of employment. As a general policy the ECITB does not employ temporary staff. However, this may occasionally occur to provide staff cover in cases of long term sickness absence, or in circumstances where additional human resources are required to fulfill specific projects.

The ECITB will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There were no disabled persons employed by the ECITB during the year.

The ECITB recognises Unite (a trade union) as representing employee interests and periodically meets with representatives of the union to discuss health, safety and welfare issues.

Senior Staff Costs and Pensions

Decisions on remuneration are delegated to the Management Board, which determines general policy on remuneration and the individual remuneration packages for the Executive Team (comprising the Chief Executive, the Director of Finance & Board Secretary, the Director of Operations and the Director of Development & Quality).

The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The only exception is a notice period of 3 months (6 months notice for the Chief Executive) rather than the normal 1 month. They are entitled to membership of the ITB pension fund, which is a contributory final salary scheme.

At its meetings held in 2009 the Management Board reviewed the salaries and performance of the Chief Executive and the Executive team, drawing on its extensive knowledge of business affairs and taking account of comparable remuneration packages within the industry.

Details of the individual remuneration packages and benefits for the Executive Team are set out below.

The information comprising the remainder of the Remuneration Report has been audited.

Senior Staff Salaries and Benefits

| Name | Salary 2009 £'000 | Benefits in kind 2009 (to nearest £100) | Salary 2008 £'000 | Benefits in kind 2008 (to nearest £100) | Date of appointment to position | Type of Contract | Unexpired Term at 31.12.2009 | Details of Notice period |
|---|----------------------|---|----------------------|---|---------------------------------|------------------|------------------------------|--------------------------|
| D M Edwards (Chief Executive) | 110-115 | 6,700 | 100-105 | 7,100 | 01.07.99 | Open ended | Not applicable | 6 months |
| A M Featherstone (Director of Operations) | 85-90 | 6,600 | 80-85 | 6,800 | 11.07.05 | Open ended | Not applicable | 3 months |
| P C Hill (Director of Finance & Board Secretary) | 80-85 | 500 | 75-80 | 500 | 15.05.06 | Open ended | Not applicable | 3 months |
| N Spencer (Director of Development & Quality) | 75-80 | 2,200 | 65-70 | 5,400 | 28.01.02 | Open ended | Not applicable | 3 months |

Benefits in kind represent company car and private health insurance. Except for private health insurance and entitlement to notice, all other terms and conditions, including ITB Pension Fund membership, are in line with those of other staff members.

It should be noted that the benefits in kind information in this report reflects the ECITB's financial year (1st January to 31st December), whereas in the 2008 report the information reflected the fiscal year. The 2008 comparative information shown in

REMUNERATION REPORT

this report has been represented to reflect the 2008 financial year. This information is marginally different to the information appearing in the 2008 Annual Report and Accounts.

There have been no payments in respect of provision for compensation for early termination for senior managers serving in the year, and no significant awards in respect of early termination have been made to former managers.

Senior Staff Pension Entitlements

| Name | Real increase in pension at age 60 (£'000) | Total accrued pension at age 60 (£'000) | CETV at 31 December 2008 (£'000) | CETV at 31 December 2009 (£'000) | Employer funded real increase in CETV (£'000) |
|------------------|--|---|----------------------------------|----------------------------------|---|
| D M Edwards | 2.5 – 5 | 20 - 25 | 227 | 289 | 32 |
| A M Featherstone | 0 – 2.5 | 5 - 10 | 43 | 66 | 15 |
| P C Hill | 0 – 2.5 | 0 - 5 | 26 | 43 | 11 |
| N Spencer | 0 – 2.5 | 5 -10 | 90 | 122 | 17 |

CETV means the cash equivalent transfer value. This is the actuarially assessed capitalised value of the pension schemes benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another pension scheme or arrangement that the individual has transferred to the ITB arrangements and for which the ITB fund has received a transfer payment commensurate to the additional pension liabilities being assumed. They include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service at their own cost. CETVs are calculated within guidelines and framework prescribed by the Institute of Actuaries.

Real increase in CETV reflects the increase in CETV funded by the employer. It takes account of the increase of the accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme arrangement) and uses common market valuation factors for the start and end of the period.

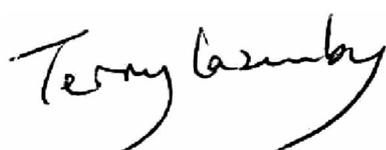
Trustees' Costs

The Chairman of the Board, Mr T M Lazenby, in accordance with his appointment by the Secretary of State for Business, Innovation and Skills is entitled to remuneration as Chairman of the Board, and received £17,595 (2008: £17,508). Following the last governmental review of the ECITB, two independent trustee non-executive directors have been appointed. They have been paid in accordance with The Charity Commission's agreement. In 2009 Mr A. Collinson received £12,000 directly. In 2009 Mr N. Davis received £3,000 directly. He retired from office on 31st March 2009. Mr J Gammage was appointed on 1st April 2009, and received £9,000 directly during the year.

25 trustees (2008: 20) incurred travel, accommodation, subsistence and telephone expenses, which were reimbursed by the ECITB. In 2009 the expenses amounted to £29,972 (2008: £27,384).

The ECITB does not provide pension benefits for any of the trustees.

Appendix B contains a list of current trustees and former trustees who held office in 2009.



T M Lazenby MBE FREng
Chairman
1st June 2010



David M Edwards
Chief Executive and Accounting Officer
1st June 2010

FINANCIAL REPORT

Statement of the ECITB's and the Accounting Officer's Responsibilities

Under section 8 (1) of the Industrial Training Act 1982, the Engineering Construction Industry Training Board (ECITB) is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Business, Innovation and Skills with the consent of the Treasury. The accounts are prepared on an accruals accounting basis and must show a true and fair view of the ECITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the ECITB is required to:-

- Observe the accounts direction issued by the Secretary of State for Business, Innovation and Skills, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the body will continue in operation

The Accounting Officer is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the ECITB and to enable it to ensure that the Financial Statements comply with the Industrial Training Act 1982. The Accounting Officer is also responsible for safeguarding the assets of the ECITB and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive of the ECITB as the Accounting Officer for the ECITB. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by the Treasury and published in Managing Public Money by The Stationery Office.



T M Lazenby MBE FREng
Chairman
1st June 2010



David M Edwards
Chief Executive and Accounting Officer
1st June 2010

FINANCIAL REPORT

Results for the Year

A financial summary for the period 1 January 2009 to 31 December 2009 (with comparative information for 2008) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

| Summary Statement of Financial Activities | 2009 £'000 | 2008 £'000 |
|---|---------------|---------------|
| Incoming Resources | | |
| Levy | 20,116 | 17,152 |
| Non levy income | 3,206 | 3,086 |
| Total incoming resources | 23,322 | 20,238 |
| | | |
| Expenditure | | |
| Cost of Generating Funds | 2,242 | 1,920 |
| Charitable activities | 17,579 | 14,554 |
| Governance costs | 96 | 107 |
| Total outgoing resources before other gains and losses | 19,917 | 16,581 |
| | | |
| Net incoming/(outgoing) resources before other gains and losses | 3,405 | 3,657 |
| | | |
| Gain/(Loss) on revaluation of fixed assets | (58) | (222) |
| Gain/(Loss) on investment assets | (81) | 610 |
| Net Movement in Funds Surplus/(Deficit) | 3,266 | 4,045 |
| | | |
| Reconciliation of Funds | | |
| Total funds brought forward at 1 January | 13,820 | 9,775 |
| Total funds carried forward at 31 December | 17,086 | 13,820 |
| | | |
| Balance Sheet | | |
| Fixed Assets | 1,180 | 1,245 |
| Tangible assets | 10,901 | 9,573 |
| Investments | 12,081 | 10,818 |
| | | |
| Current Assets | 9,979 | 7,483 |
| Creditors | (4,974) | (4,481) |
| Net current assets | 5,005 | 3,002 |
| Total Assets less current liabilities | 17,086 | 13,820 |
| | | |
| Fund | | |
| Unrestricted Fund | 17,086 | 13,820 |

Commentary on the Results

Statement of Financial Activities for year ended 31 December 2009

Incoming Resources

Levy income accounted for in 2009 amounted to £20.12m (2008: £17.15m). The levy income represents the gross levy assessed, and a provision for bad debts has been shown separately as a cost of generating funds.

Virtually all of the 2009 levy income related to and was calculated by reference to the payments made to industry workers during the base period 6th April 2007 to 5th April 2008 (£20.11m). For this purpose payments comprise PAYE wages paid to employees and labour-only payments made in respect of non-employed workers. Levy rates remained unchanged in 2009 at 1.5% on payments made in respect of on-site workers, and 0.18% on payments made in respect of off-site personnel. The levy exemption levels remained the same in 2009 as in 2008 for site-based and other workers. Employers were exempt from paying site levy if payments made in respect of on-site workers were less than £275,000 during the 2007/2008 base period. Employers were exempt from paying off-site levy in 2009 if payments made in respect of other workers during the same period were less than £1.0m.

The growth in gross levy income between 2008 and 2009 is approximately 17%. However, 2009 levy income includes:-

- Levy raised and adjustments in respect of base periods prior to 2007/08 (£8,000)
- Levy assessments relating to three establishments, which are the subject of appeals ongoing at 31st December 2009 (see below). The assessments under appeal amount to £1.602m, which represents approximately 8% of the levy income for the year
- Levy which is highly unlikely to be paid due to company failures and liquidations (£241,000)

If these assessments and adjustments are ignored, the underlying growth in levy was approximately 20% during the year, when compared with the same statistic in 2008. Wage and labour costs in the industry grew during the 2007 base period by approximately 16%. This partially reflects the fact that the number of declared on-site and off-site workers engaged in the industry grew in each case by 5%.

It should be noted that the significant increase in levy income received in 2009 reflects the buoyant industry conditions which prevailed largely in 2008. In 2009 the industry was affected by deterioration in the economy, and it is anticipated that recovery will begin to occur in 2010. It is felt that the depressed economic conditions prevailing in the base period 2009/10 will affect levy income received in 2011.

The ECITB received public funding in respect of its apprenticeship programmes from The Learning and Skills Council (LSC) and Skills Development Scotland (SDS), under the ECITB's managing agency contracts relating to apprentices. Grant income relating to apprenticeship programmes fell in 2009 by approximately 15%. This is because since 2007 new apprentice cohorts have not been subject to managing agency arrangements made between ECITB and the funding bodies. Nevertheless, funding in respect of prior-year cohorts continued to be received in 2009. However, as the number of pre-2007 starters in training has reduced, the amount of managing agency funding fell commensurately (2009: £907,000, 2008: £1.07m).

The ECITB continued to receive public funding for the Assuring Competence in Engineering Construction (ACE) programme (2009: £141,000, 2008: £136,000), but only in Wales in and Scotland (Highlands and Islands). The ECITB also received funding amounting to £152,000 from the LSC relating to the ECITB's participation in the Train to Gain initiative. The income largely reflects management and marketing costs incurred in the promotion of the scheme to industry employers. During the year the ECITB commenced participation in the Wales and Ireland Sustainable Enterprise Project, which is funded by the European Social Fund (ESF). The ECITB participates specifically to assist industry SME's in Wales. Grant income receivable from ESF amounted to £69,000 and offsets the costs of consultancy services provided to employers in the region.

ECITB received £117,000 in income funded by The United Kingdom Commission for Employment and Skills (UKCES), which was formed following the merger of the Sector Skills Development Agency (SSDA) and the National Employer Panel in 2008. In 2008 ECITB received £141,000 from SSDA. In 2009, the UKCES income principally related to the ECITB's participation in The Vocational Qualifications Reform Programme (£59,000), and the project relating to the Construction in the Built Environment Diploma (£27,000).

FINANCIAL REPORT

Income from sales and sponsorships grew in 2009 to £1.049m (2008: £847k). Demand for the ECITB's Safety Passports remained at similar levels to 2008 and income from their sale grew largely because of annual price increases. Passports are issued to learners following attendance at ECITB safety courses delivered by accredited training providers. In 2009, Safety Passport income amounted to £803,000, compared with £766,000 in 2008. In 2009, the ECITB introduced a new system of granting licences to approved training providers for the delivery of ECITB training materials and programmes. The licences granted to date relate to supervisory management training and skills and technical programmes (issued under the ECITB's TECSkills banner). Under such arrangements the ECITB receives initial licence fees, and further fees upon programme registration or course attendance by learners. The income from such sources amounted to £67,000. The ECITB intends to extend the principle of licensing training providers to use and deliver ECITB's training materials and programmes in other areas of training.

Certification income increased significantly (2009: £90,000, 2008: £47,000). This comprises fees charged to out of scope employers (i.e. those which did not operate leviable establishments) whose employees pursued ECITB vocational qualifications. The remainder of the commercial income amounting to £90,000 largely comprised registration fees in respect of ACE candidates employed by out-of-scope employers (£66,000).

Investment income was marginally lower in 2009 compared with 2008 (2009: £435,000, 2008: £468,000), despite the high level of investments, attributable to high levels of income from levy and commercial sources, and lower than planned expenditure. During the year investments performed poorly compared with 2008, as a consequence of conditions in the global economy. These particularly affected the United Kingdom, where economic recovery lagged behind other countries. The ECITB's requirement to hold cash deposits was not as high as planned owing to lower than budgeted expenditure on charitable activities. Consequently, coupled with low interest rates this meant that income from cash deposits was considerably lower in 2009 (£288,000) than in 2008 (£460,000). The prospect of economic recovery and a recovery in corporate profits towards the end of 2009 presents a more comforting backdrop for 2010. However, there is still uncertainty arising from the issues of high unemployment and levels of government debt which will affect the investment markets in the foreseeable future.

Expenditure

Levy collection costs and the bad debts provision rose to £2.20m (2008: £1.89m). In accordance with the ECITB's accounting policy, all levy assessments which become the subject of formal appeals are provided for in full as bad debts, regardless of the likely outcomes of the proceedings. Three employers appealed against levy assessments raised in 2009, and a corresponding bad debt provision of £1.602m was made in the accounts. Irrecoverable debts due to corporate liquidations and administrations have been provided for in full as bad debts, amounting to £241,000. The most significant bad debtors were Power Units (1953) Limited (£146,000), and Watson Norie Limited (£90,000). Legal and professional costs incurred in the appeals lodged by Sellafeld Limited and On-line Design and Engineering Limited accounted for the most of the year's levy collection costs (£357,000). As in 2008 (£370,000), the costs were high as a consequence of the preparation for and attendance at hearings held in the Newcastle and Watford Employment Tribunals.

Expenditure on charitable activities was £3.025m higher in 2009 than in 2008. Expenditure was higher in each area of charitable activity for the following reasons:-

Apprenticeships and Careers

Apprenticeship grant expenditure was £3.04m (2008: £1.77m). The increased expenditure was due to a combination of factors. During the year most of the 2005 cohort and approximately one third of the 2006 apprentice cohort (i.e. the apprentices which commenced their programmes in 2005 and 2006) completed their apprenticeships. Virtually all apprentices in these cohorts went into employment following the off the job stage of their training. Consequently, full completion grants of £5,000 per capita were payable to employers in 2009 (approximately £773,000). Interim grants were also paid to employers of apprentices from the 2007 to 2009 inclusive cohorts. The sizes of such cohorts were significantly higher than in previous years, and the majority of each cohort was employed from the outset of their programmes. Thus, higher levels of grants were paid in 2009 than in prior years, and it is anticipated that similar levels of grant expenditure will arise in future years if apprentice recruitment remains at the level of approximately 700 per annum.

Apprenticeship programme costs were in line with those incurred in 2008. However, during the year there were factors which inflated costs. For example, reductions in LSC funding for apprentices aged 19+ years meant that some training providers charged additional training fees. Also, in the offshore sector the period of off the job apprentice training was extended by 6 months to two years, thereby adding to the costs of training, subsistence and travel. Additional assessment costs were incurred in 2009 as a consequence of the action taken to complete the apprenticeships of the remaining learners

who commenced their programmes in 2006 and before. There are no remaining apprentices from pre-2006 cohorts, with the exception of offshore apprentices who are scheduled to complete their programmes by the summer of 2010. However, such inflationary pressure on costs have been largely offset by the achievement of lower training costs brought about as a consequence of competitive tendering prior to the appointment of training providers in each region.

Skills & Technical

Skills & Technical expenditure largely comprises grants paid to employers. Overall, grants under this charitable activity amounted to £2.77m, compared with £2.42m in 2008. In 2009, the Board decided to increase the Regional Discretionary Grant budget, and grants amounting to £1.93m were paid (2008: £1.44m). Grants relating to TECSkills programmes increased from £621,000 in 2008 to £818,000 in 2009 mainly as a consequence of increased numbers of learners completing short courses and modules. However, following the cessation of NSDS programmes, grant expenditure fell from £786,000 in 2008 to £26,000 in 2009. There will be no further payment of such grants. Train to Gain expenditure (£87,000) and WISE Project expenditure (£65,000) are classified as part of this charitable activity. Expenditure on these initiatives commenced in 2009.

Management & Professional

Expenditure increased by 13% compared with 2008 and reflects the growing demand from industry for training programmes and courses in this area of activity.

Awards & Qualifications

Expenditure in this area increased by £580,000 compared with 2008. The increase is largely due to the award of ACE grants to industry employers in Wales. This expenditure was matched by funding from the Department for Children Education Lifelong Learning & Skills. During the year ECITB incurred staff and consultancy costs amounting to £228,000 in connection with the Vocational Qualifications Reform Programme. Such costs were not incurred in 2008.

The ECITB's freehold property at Blue Court, Kings Langley was last formally revalued in 2007. In view of volatile commercial property market values during the year, the property has been reduced to reflect movements in commercial property indices published at the year-end. These indicated that office property values in the South East of England have fallen in 2009 by approximately 5% to 10%. However, in view of the nature of the property it was considered that a prudent approach should be adopted and the value of the property was reduced by 10%. After adjustment for depreciation the value has been reduced by £57,000, and this appears as a recognised loss in the accounts.

Losses on investment assets amounting to -£81,000 were incurred in the year, compared with gains of £610,000 in 2008. This reflects the uncertainty and performance of the financial markets described above.

Balance Sheet at 31st December 2009

Assets

Tangible Assets fell in value to £1.18m (2008: £1.24m). This relates entirely to the loss arising from the revaluation of freehold land and buildings (see above).

Fixed and current investments stood at £19.25m (2008: £14.56m). During 2009 ECITB budgeted to achieve a break-even position at the end of the year. However, income was approximately £1.3m higher than planned, and costs were approximately £2m lower than budget. This is so despite the fact that total resources expended were £3.3m higher in the year than in 2008. This meant that it was unnecessary to liquidate as high a level of investments to fund activities.

Debtors stood at £808,000, compared with £609,000 at the 31st December 2008. The difference is mainly attributable to amounts owed by the LSC and other central government funders (2009: £154,000, 2008: £6,000), and amounts owed by other bodies (2009: £652,000, 2008: £601,000), which includes increased sales debtors, and unclaimed income in connection with the WISE project (£69,000). However, levy debtors at the year-end were £91,000 lower than at the start of the year.

Cash at bank and in hand were lower at the end of the year than at the start (opening balance £1.89m, closing balance £825,000) as a consequence of the lower than planned requirement for cash to fund activities.

FINANCIAL REPORT

Creditors

Creditors rose to £4.97m (2008: £4.48m) principally due to a high level of year-end accruals (2009: £1.661m, 2008: £542,000). These principally comprise anticipated claims relating to Regional Discretionary Grants in respect of training activity undertaken during the year. This reflects the higher level of activity in this area during the year.

The Funds of the Charity

The year-end balance sheet shows total charity funds of £17.09m (2007: £13.82m). In 2010 ECITB plans to incur a deficit for the year (-£2.4m), as part of its strategy to increase the level of training support and services to industry.

Reserves Policy

The value of reserves (defined as the unrestricted fund) at 31st December 2009 was £17.09m.

The ECITB retains reserves required to cover run-out costs (i.e. the costs of completing training programmes and meeting staff redundancy costs in the event that the ECITB ceases to operate).

The Main Board and Audit Committee review the Reserves Policy principally to cater for the levels of financial commitments arising from Apprenticeships, Skills & Technical programme (mainly TECSkills programmes leading to NVQ qualifications) and Management & Professional programme (particularly degree and longer-term programmes). This is because such programmes carry forward significant financial commitments into future periods. It was concluded that a minimum of approximately £9.5m in reserves should be held for the purpose of covering run-out costs.

The Audit Committee reviews the Reserves Policy to ensure that adequate reserves are held to meet the requirements of the organisation over the ensuing three-year period. Its conclusions and recommendations are reported to the Main and Management Boards, which confirm the Reserves Policy.

Investment Policy and Performance

The ECITB must invest money in accordance with guidelines approved by the Secretary of State (section 17(5) Industrial Training Act 1982). The latest guidelines were issued in March 2004, and are attached to the ECITB's Financial Memorandum dated February 2006. The management of investments is contracted to Schroder & Company, which is required to operate within the guidelines. These broadly allow investment in a range of high quality interest bearing instruments. Investment in equities is not permitted.

Performance is measured against a benchmark, namely the Citigroup UK Government Bond 1-5 Year Index. In the period from 14th September 2004 (when Schroder's took over the portfolio) to 31st December 2009, the performance of the long-term portfolio after the deduction of management fees was 35.0% compared to the benchmark 26.3%.

In view of recent financial market and economic volatility, the ECITB's opinion remains that it is unnecessary to dispose of any part of the investment portfolio or change the current investment policy in view of the very low risk attached to the portfolio (all investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions, and the portfolio is not directly exposed to US sub-prime related securities or embedded derivatives.

Employer Registrations

The number of employers' establishments registered as being in-scope to the ECITB at 31 December 2009 was 381 (417 at 31 December 2008), of which 241 were due to pay a levy in 2010.

Grant Payment Policy

Levy paying employers are eligible to receive grants for training activities. Details of the grant schemes and criteria for award are approved by the Secretary of State and are set out in the ECITB's Guide to Grants & Training Programmes, which is published annually.

Material Cash Support Payments

The names of the recipients and the aggregate amounts of material grant and support payments are disclosed in Note 7 to the Financial Statements.

Charitable Donations

No charitable donations were made during the year.

Payment Policy and Performance

The ECITB observes the principles of the Government's Better Payment Practice Code. In doing so, payment terms are agreed at the outset of relationships with suppliers and, wherever possible, amounts due are settled promptly within these terms, except in cases of dispute. In 2009 93% of invoices were settled within 30 days of receipt of goods and services, or the presentation of a valid invoice, whichever is the later. The average time for the payment of invoices not subject to query was 10 days. For the purposes of these calculations, it has been assumed that invoices that are outstanding for more than 40 days are the subject of disputes or other queries with the suppliers concerned.

Auditors

The ECITB's external auditor is the Comptroller and Auditor General who is appointed under Section 2 of the Industrial Training Act 1982 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003. The cost of the statutory external audit for 2009 was £35,000.

Statement as to Disclosure of Information to the Auditors

The Accounting Officer who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditors are unaware. The Accounting Officer has confirmed that he has taken all the steps that he ought to have taken as Accounting Officer in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditors.

FINANCIAL REPORT

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the ECITB's policies, aims and objectives, whilst safeguarding the funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money.

The Board is responsible for establishing and monitoring appropriate policies to fulfil the objectives of the ECITB as a statutory Industrial Training Board (ITB). The Accounting Officer is responsible for managing the implementation of agreed policies and is accountable to the Board. As a statutory ITB and Non-Departmental Public Body, the ECITB reports to the Department for Business, Innovation and Skills. The ECITB is established for exclusively charitable purposes and is therefore registered as a charity. The charitable activities of the ECITB are partly funded by a statutory levy, which is confirmed by a Levy Order passed by both Houses of Parliament.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the ECITB's policies, aims and objectives. It is also designed to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the ECITB for the year ended 31st December 2009 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Capacity to handle risk

The management of strategic and operational risk is embedded in business processes. The Executive Team (comprising the Chief Executive, the Director of Finance & Board Secretary, the Director of Operations, and the Director of Development & Quality) and senior managers provide high level leadership to the risk management process. This group of staff has a good understanding of the key risks facing the ECITB. Selection and performance review procedures ensure that personnel are trained to manage risk in a way appropriate to their authority and duties. The directors and senior managers understand the importance of their roles in the risk management process.

The risk and control framework

The ECITB aims to adopt best practice in the identification, evaluation and cost-effective management of risks, as an integral part of operational activity. The directors are accountable for risk management in their respective areas of activity and regularly report to me in my capacity as Accounting Officer and Chief Executive. Risk is assessed in these reporting processes and, more importantly, within the established business and financial planning process. Implicit in this approach is encouragement and support to the achievement of business objectives, anticipating and responding to changing social, environmental and legislative requirements, optimisation of control to achieve operational efficiencies and ensuring legal compliance as a minimum standard. A Risk Register is maintained for each directorate. Each risk has a designated senior manager responsible for reporting the status of each identified risk. New risks which are identified during the year are added to the risk register.

As Accounting Officer and Chief Executive, I report to the Management Board and the Audit Committee formally on these matters several times per year. The ECITB's corporate risk register is reviewed at every meeting of the Management Board and Audit Committee. On each occasion the whole register is reviewed, and this includes consideration of changes since the last review. The Management Board and the Audit Committee reported to me that they are content that appropriate consideration is being given to risk management.

Policy and responsibility

- A risk management policy has been established and communicated to all relevant parties
- Responsibility for risk management is assigned to the directors and their respective managers, to reflect actual responsibilities
- All directors are responsible for evaluating risk and taking measures to mitigate or minimise identified risk within their respective areas of operations and responsibility. The results of this exercise are reported to the Accounting Officer at least twice in the year
- Risk management is embedded within normal operations, such as system development risk analysis and progress reports for major projects

Internal Audit

- Deloitte & Touche Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2009. The internal auditor operates to standards defined by HM Treasury, which include the submission of an independent opinion on the adequacy and effectiveness of the system of internal control.
- Reports are submitted to the Audit Committee concerning audits undertaken, implementation of recommendations, post capital expenditure reviews and other ad hoc reports, as required.
- The internal auditor has a direct reporting line to the Audit Committee to ensure independence.

Audit Committee

- The Trustees maintain an overview of internal control issues through the Audit Committee. The Committee is formally constituted and operates in accordance with best commercial practice and HM Treasury guidelines.
- This Committee plays a pivotal role in ensuring a sound control environment. Its members ensure that a wide range of experience and expertise is available to the ECITB by attending meetings and offering advice when required.
- The Chairman of the Audit Committee makes formal reports to the Board concerning risk management and the status of internal control within the ECITB.
- The Accounting Officer joins the Audit Committee to review ECITB management of risk and ensures that advice from members concerning the identification, assessment and management of risk is taken into account. The Committee has approved a Risk Management Policy and reviews the Risk Register regularly.

Review of Effectiveness

The processes described above in "The risk and control framework" contribute to ensuring that the systems of internal control are continually reviewed and improved. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the directors and senior managers within the organisation (who have responsibility for the development and maintenance of the internal control framework), the work of the internal auditors, and comments made by the external auditors in their management letter and other reports. I am also advised on the effectiveness of the system of internal control by the Management Board and the Audit Committee. When weaknesses are identified, plans to address them and ensure continuous improvement of the system are put in place.

The internal auditor's opinion on the control environment is that the ECITB has adequate and effective systems over risk, control and governance which provide reasonable assurance regarding effective and efficient achievement of the ECITB's objectives.

Information Risk

ECITB routinely reviews its systems and processes for handling data securely. Following Cabinet Office guidance in relation to Information Risk, the Board Secretary has been appointed as the Senior Information Risk Owner (SIRO). In order to ensure that the ECITB meets latest best practice, a thorough review of systems access and information security processes and has been undertaken. In 2009 a project to review the organisation's information technology systems and requirements commenced. It is envisaged that there will be a comprehensive upgrading of existing and implementation of new systems in 2010. Key elements in the project are to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure that all staff receive training on handling data. In addressing the applicable minimum security requirements the ECITB will ensure that there is clear reporting to the SIRO and the Audit Committee. In 2009 there were no data losses.

Internal Control Issues and Conclusion

During the course of its audit of the ECITB's Documents and Records Management systems, the internal auditor concluded that a limited level of assurance could be given in terms of the adequacy and effectiveness of the system of internal controls. These conclusions were not a surprise to the ECITB's senior management. Weakness in this area had already been identified and is the principal driver for the review of the organisation's information technology systems and requirements mentioned above. Plans to implement the auditor's recommendations as part of the upgrading of the ECITB's information technology systems are in place, and I consider that significant progress will occur in this area in 2010 and 2011.

My review of the effectiveness of the internal control system shows that in 2009 the ECITB has adequate and effective risk management, control and governance processes to manage the achievement of its objectives.

No significant internal control issues arose during 2009 and none are known to exist at the year-end.



David M Edwards
Chief Executive and Accounting Officer
1st June 2010

FINANCIAL REPORT

Certificate & Report of the Comptroller & Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Engineering Construction Industry Training Board for the year ended 31 December 2009 under the Industrial Training Act 1982. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and Auditor

The Board, and Chief Executive as Accounting Officer, are responsible for preparing the Trustees Report, which includes the Remuneration Report, and the financial statements in accordance with the Industrial Training Act 1982 and directions made by the Secretary of State for Business, Innovation and Skills thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of ECITB's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Business, Innovation and Skills. I report to you whether, in my opinion, the information, which comprises the section on "Structure, Governance and Management", the Financial Report, Appendix B: Trustees, and Appendix E: Chief Executive Officer and Senior Staff, included in the Trustees Report, is consistent with the financial statements. I also report whether in all material respects the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Engineering Construction Industry Training Board has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Engineering Construction Industry Training Board's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Engineering Construction Industry Training Board's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Report of the Trustees and consider whether it is consistent with the audited financial statements. This information comprises the Chairman's Statement, Chief Executive's Review, the Report of the Trustees sections on "The Industry and Economic Environment", "Activities and Mission", "Objectives, Achievements and Challenges in 2009", "Plans for Future Periods", and other Appendices. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Engineering Construction Industry Training Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Business, Innovation and Skills, of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2009 and of its incoming resources and application of resources for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Business, Innovation and Skills; and
- information, which comprises the section on "Structure, Governance and Management", the Financial Report, Appendix B: Trustees, and Appendix E: Chief Executive Officer and Senior Staff, included in the Trustees Report, is consistent with the financial statements

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 30th June 2010

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2009

| INCOMING RESOURCES | Note | 2009 £'000 | 2008 £'000 |
|--|------|---------------|---------------|
| Incoming resources from generated funds | | | |
| - Investment income | 4 | 723 | 928 |
| Incoming resources from charitable activities | | | |
| Non levy income | | | |
| - Apprenticeships and Careers | | 961 | 1,090 |
| - Skills & Technical Programme | | 240 | 71 |
| - Management & Professional Programme | | 115 | 88 |
| - Awards & Qualifications | | 1,164 | 908 |
| Total non-levy income | 3 | 2,480 | 2,157 |
| Levy | 2 | 20,116 | 17,152 |
| Other incoming resources | 5 | 3 | 1 |
| Total incoming resources | | 23,322 | 20,238 |

| RESOURCES EXPENDED | | | |
|---|-----------------------|--------------|--------------|
| Cost of generating funds | | | |
| - Investment management costs | | 38 | 31 |
| - Levy collection costs and Bad Debt Provision | 9 | 2,204 | 1,889 |
| Charitable activities | | | |
| - Apprenticeships and Careers | | 9,063 | 7,413 |
| - Skills & Technical Programme | | 3,512 | 3,087 |
| - Management & Professional Programme | | 3,227 | 2,857 |
| - Awards & Qualifications | | 1,777 | 1,197 |
| Total costs of charitable activities | 6 to 8, 10 & 11 | 17,579 | 14,554 |
| Governance costs | 14 | 96 | 107 |
| Total resources expended | | 19,917 | 16,581 |
| Net incoming/ (outgoing) resources for year before charging notional cost of capital | | 3,405 | 3,657 |
| - Notional cost of capital added | | 879 | 719 |
| Net incoming/ (outgoing) resources for year after charging notional cost of capital | | 2,526 | 2,938 |
| - Notional cost of capital added back | | 879 | 719 |

| | | | |
|---|--|--------------|--------------|
| Net incoming/ (outgoing) resources for the year before other recognised gains and losses | | 3,405 | 3,657 |
| Other recognised gains and losses | | | |
| - Gains/(Losses) on revaluation of fixed assets for own use | | (58) | (222) |
| - Gains/(Losses) on investment assets | | (81) | 610 |
| Net movement in funds | | 3,266 | 4,045 |

| | | | |
|--|----|--------|--------|
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward at 1 January | 23 | 13,820 | 9,775 |
| Total funds carried forward at 31 December | 23 | 17,086 | 13,820 |

The statement of financial activities reflects all gains and losses during the year to 31st December 2009. All activities are continuing. All funds are unrestricted. The notional cost of capital has been calculated in accordance with HM Treasury's Financial Reporting Manual.

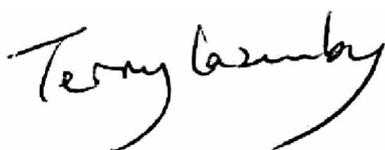
The notes on pages 36 to 54 form part of these financial statements.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

BALANCE SHEET AS AT 31 DECEMBER 2009

| | Note | 2009 £'000 | 2009 £'000 | 2008 £'000 | 2008 £'000 |
|--|------------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| - Tangible assets | 15 | | 1,180 | | 1,245 |
| - Investments | 17 | | 10,901 | | 9,573 |
| Total Fixed Assets | | | 12,081 | | 10,818 |
| Current assets | | | | | |
| - Debtors | 18 | 808 | | 609 | |
| - Investments | 17 | 8,346 | | 4,984 | |
| - Cash at bank and in hand | 26 & 27 | 825 | | 1,890 | |
| Total Current Assets | | 9,979 | | 7,483 | |
| Creditors | | | | | |
| - Amounts falling due within one year | 20 | (4,974) | | (4,481) | |
| Net current assets (liabilities) | | | 5,005 | | 3,002 |
| Total assets less current liabilities | | | 17,086 | | 13,820 |
| The Funds of the Charity | | | | | |
| - Unrestricted fund | 24 | | 17,086 | | 13,820 |
| Total Charity Funds | | | 17,086 | | 13,820 |

The accounts were approved by the Board on 20 April 2010.



T M Lazenby MBE FREng
Chairman
1st June 2010



David M Edwards
Chief Executive and Accounting Officer
1st June 2010

The notes on pages 36 to 54 form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

| | Note | 2009 £'000 | 2008 £'000 |
|--|------------|----------------|---------------|
| Net cash inflow (outflow) from operating activities | 25 | 3,181 | 4,294 |
| Returns on investments and servicing of finance | | | |
| - Investment income | | 706 | 928 |
| - Gains/(Losses) on investment assets | | (161) | 42 |
| Capital expenditure | | | |
| - Purchase of tangible fixed assets | 15 | (212) | (229) |
| - Proceeds from disposal of tangible fixed assets | | 32 | 52 |
| Management of Liquid Resources | | | |
| - Purchase of investments | 17 | (2,404) | (4,196) |
| - Disposal of investments | | 1,156 | 4,994 |
| - Cash invested | | (3,363) | (4,820) |
| Increase/(Decrease) in cash | 26 & 27 | (1,065) | 1,065 |

The notes on pages 36 to 54 form part of these financial statements.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

1) ACCOUNTING POLICIES

Going Concern

These accounts are prepared on a going concern basis.

Accounting Convention

These accounts have been prepared in accordance with the Industrial Training Act 1982 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) ("the SORP"). An accounts direction issued by the Secretary of State requires that ECITB prepares accounts in accordance with Treasury guidance. Consequently, these accounts follow the principles in the 2008-09 Government Reporting Manual (FRoM) where it goes beyond the requirements of the SORP.

The accounts are prepared under the historical cost convention as modified by the revaluation of Land and Buildings and Investments.

Grants Receivable

ECITB receives grants from Government and European Union sources in respect of the following charitable activities:-

- Apprenticeships and Careers (grants for apprenticeship programmes)
- Skills & Technical Programme (grants for TECSkills programmes)
- Management & Professional Programme (grants for supervisory management programmes (SMTD))
- Awards & Qualifications (Assuring Competence in Engineering (ACE))

Grants are recognised when the SORP 2005 criteria of entitlement, certainty and measurement have been satisfied. Such grants are repayable in the event that the activities to which the grant relates do not occur.

This grant income is not an agreed annual cash allowance to meet the ECITB's financial cash outgoings for the year. It does not represent grant in aid. Consequently it is treated in the accounts as income.

Levy Income

Levy income is recognised on an annual cycle in the year in which it is raised together with adjustments in respect of previous levies raised. The levy receivable relating to the base period ended 5th April 2008 was raised in January 2009 and recognised as income in that year. In certain cases estimated levy notices were raised in advance of the year-end. These are payable within 30 days and consequently are shown as creditors and, if uncollected at the year-end, levy debtors in the 2009 accounts. However, as the levy income will be matched against 2010 expenditure and recognised in the 2010 accounts, these creditors are off set by a deferred income debtor in the 2009 balance sheet.

Other Categories of Income

All other categories of income (e.g. sales, sponsorship and investment income) are recognised on a receivable basis.

Investment Management Costs

Investment management costs are recognised on an accruals basis.

Charitable Expenditure

Charitable expenditure includes all expenditure incurred on the charitable activities described below in pursuance of the ECITB's objectives.

- Apprenticeships and Careers
- Skills & Technical Programme
- Management & Professional Programme
- Awards & Qualifications
- Levy collection costs

Grants Payable

With the exception of Skills & Technical Programme Grants, grants are recognised as liabilities when the relevant training milestones have occurred regardless of whether or not claims for the grants have been received. Such liabilities are treated as grant accruals until claims have been received from employers.

Skills & Technical Programme Grants are recognised as liabilities when claims for the grants have been accepted by the ECITB.

Support Costs

Support costs include central functions which have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose.

Governance Costs

Governance costs include those incurred in the governance of the ECITB and its assets and are primarily associated with constitutional and statutory requirements.

Notional Cost of Capital

In accordance with the FReM Guidance, the accounts include a notional charge representing the cost of capital, which is based on the average capital employed (equivalent to net assets) at a rate prescribed by HM Treasury of 3.5% (2008: 3.5%). The charge has been included after the heading "total resources expended". As the charge is notional, it is removed from the Statement of Financial Activities before identifying net outgoing resources for the year.

Land and Buildings

FRS 15 requires fixed assets which are carried at re-valued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold land and buildings are subject to a full external valuation every 5 years. The last existing use valuation of the freehold land and buildings was undertaken at 31st December 2007 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Standards (6th edition). Following the last valuation, the existing use property value was recorded in the 2007 Balance Sheet. In the intervening years between full external valuations the modified historical cost accounting basis is considered and adjusted where material.

Other Assets

Apart from freehold property, fixed assets are stated at their historical cost, less accumulated depreciation. They are not re-valued as this is unlikely to reveal any material difference in values.

Capitalisation

Fixed assets costing below £500 are not capitalised.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

Depreciation

Depreciation on fixed assets other than freehold land is provided on cost or valuation in equal annual instalments by class of asset over the estimated lives of each class, from the date on which the assets are brought into use. The rates of depreciation are as follows:-

| | | |
|------------------------------------|---|--|
| Freehold buildings | - | 2½% per annum on the revalued amount over the remaining life of the property |
| Office furniture and equipment | - | 10% per annum |
| Plant and machinery: | | |
| - Training Rigs and Display Stands | - | 20% per annum |
| - Motor Vehicles | - | 25% per annum |
| - Tools & Equipment | - | 33.3% per annum |
| Computer equipment and IT software | - | 33.3% per annum |

No depreciation is provided on freehold land.

Investments

Investments are carried at market value. Realised and unrealised gains and losses are reflected in the statement of financial activities.

Bad Debts Provision

Levy debtors are reported in the balance sheet net of a provision for bad debts. Full bad debt provisions are made in the following circumstances:-

- When a formal appeal against an assessment for industrial training levy is made by an employer, regardless of the likelihood of the ECITB's success in the appeal
- When there is a strong possibility that a debt will not be recovered
- When any debt is older than six months

In the Statement of Financial Activities the bad debts provision is treated as an expense within Cost of Generating Funds.

Pensions

The ECITB is a participating employer in the ITB Pension Funds, which are constituted as multi-employer defined benefit schemes. Pension contributions are charged to the statement of financial activities as incurred.

Corporation Tax

ECITB as a registered charity in England and Wales is exempt from Corporation Tax on its primary purpose activities. As such there is no Corporation Tax to pay.

Value Added Tax

ECITB is registered for VAT. However, ECITB is not able to recover VAT on most supplies of goods and services which it receives. Thus, all costs are shown inclusive of VAT.

Fund

The ECITB's fund is available to the Trustees to apply for the general purposes of the Charity as governed by the Industrial Training Act 1982 (as amended) and related regulations. As such the fund is unrestricted because the Trustees are free to use it for any of the Charity's purposes. Income generated from assets held in the fund is unrestricted income.

2) LEVY RECEIVABLE

In 2009 Industrial Training Levy was assessed in respect of 241 establishments, which were wholly or mainly undertaking engineering construction activities. 140 establishments were exempted from paying a levy because the level of payments made in respect of personnel at these establishments did not exceed the statutory exemption levels.

3) NON LEVY INCOME

| | 2009 £'000 | 2008 £'000 |
|--|---------------|---------------|
| From Government and European Union sources | 1,431 | 1,310 |
| From sales and sponsorships | 1,049 | 847 |
| | 2,480 | 2,157 |

The following streams of income are received from Government and the European Union:-

| Income Stream | Government/European Sources | Charitable Activity | 2009 Income £'000 | 2008 Income £'000 |
|--|---|-------------------------------------|----------------------------------|-------------------------|
| Grants for Apprentice Training | Learning & Skills Council (LSC) Skills Development Scotland (SDS) | Apprenticeships and Careers | 659 | 816 |
| | | | 248 | 254 |
| Assuring Competence in Engineering (ACE) | LSC | Awards & Qualifications | - | (37) |
| | Department for Children Education Lifelong Learning & Skills (Wales) (DCELLS) | | 106 | 47 |
| | SDS | | 27 | 89 |
| | Highland & Islands Enterprise | | 8 | - |
| Train to Gain | LSC | Skills & Technical Programme | 152 | - |
| Construction Skills Action Plan – ECITB Skills Programme | SDS | Skills & Technical Programme | 29 | - |
| | | Management & Professional Programme | 13 | - |
| Wales & Ireland Sustainable Enterprise project (WISE) | European Social Fund (ESF) | Skills & Technical Programme | 69 | - |
| National Skills Audit | United Kingdom Commission for Employment and Skills (UKCES) | Awards & Qualifications | 10 | - |
| Construction in the Built Environment Diploma | | | 27 | - |
| Vocational Qualifications Reform Programme | | | 59 | - |
| Other development projects | | | 21 | - |
| Labour Market Information Project | | | Sector Skills Development Agency | |
| SEEDA Project | Sector Skills Development Agency | Management & Professional Programme | - | 20 |
| Regional Initiatives | Yorkshire & Humber East Life Long Learning Network | Skills & Technical Programme | 3 | - |
| Total | | | 1,431 | 1,310 |

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

The following streams of income are received from sales and sponsorships:-

| Income Stream | Sources of Sales and Sponsorship Income | Charitable Activity | 2009 Income £'000 | 2008 Income £'000 |
|---|---|-------------------------------------|-------------------------|-------------------------|
| ECITB Safety Passports | UK Employers | Awards & Qualifications | 803 | 766 |
| Licensing of ECITB Training Materials for course and programme delivery | UK Training Providers | Skills & Technical Programme | 10 | 3 |
| | | Management & Professional Programme | 57 | 7 |
| Certification Income | Out of Scope Employers | Awards & Qualifications | 90 | 47 |
| ACE | UK Employers | Awards & Qualifications | 66 | 16 |
| Other | | Apprenticeships and Careers | 23 | 8 |
| Total | | | 1,049 | 847 |

The non-levy income has been presented in these accounts in a more detailed analysis to that published in the 2008 accounts. There has also been a re-presentation of the 2008 comparative figures so that the same method has been adopted in the calculation of the 2009 income classification disclosures. Overall, the total 2008 non-levy income has not changed and consequently this represents a re-presentation or re-classification of income, rather than a prior period adjustment.

The main difference between the 2008 figures shown in these accounts to those published in last year's accounts is that approximately £100,000 of income received from the SSDA was classified in the 2008 accounts as income from sales and sponsorships, whereas it has been presented in these accounts as income from a government source.

No grant-in-aid is receivable by the ECITB.

4) INVESTMENT INCOME

| | 2009 £'000 | 2008 £'000 |
|--------------------------------|---------------|---------------|
| Income from quoted investments | 435 | 468 |
| Income from cash deposits | 288 | 460 |
| | 723 | 928 |

5) OTHER OPERATING INCOME

| | 2009 £'000 | 2008 £'000 |
|------------------------|---------------|---------------|
| Other operating income | 3 | 1 |

During the year the ECITB took legal action against some employers which had withheld their payments of due levy. In the relevant court judgements, awards were made to cover the ECITB's legal costs incurred in the proceedings. In total this comprised approximately £2,500, and is included in Other Operating Income.

6) CHARITABLE ACTIVITIES

| | Grant funding £'000 | Direct costs £'000 | Support costs £'000 | Total 2009 £'000 | Total 2008 £'000 |
|-------------------------------------|------------------------|-----------------------|------------------------|---------------------|---------------------|
| Apprenticeships and Careers | 3,037 | 3,822 | 2,204 | 9,063 | 7,413 |
| Skills & Technical Programme | 2,772 | 186 | 554 | 3,512 | 3,087 |
| Management & Professional Programme | 592 | 1,969 | 666 | 3,227 | 2,857 |
| Awards & Qualifications | 271 | 800 | 706 | 1,777 | 1,197 |
| | 6,672 | 6,777 | 4,130 | 17,579 | 14,554 |

7) GRANT FUNDING

Of the £6.672m of grants made to employers in 2009, grants amounting to £5.316m were awarded to the employers in the following list. The list is limited to the 50 largest employers in terms of grant values, and the value for each employer is the aggregate of total grants received.

| | £ | | | £ | |
|--|---------|---|---|------------------|---|
| Doosan Power Systems Ltd | 804,571 | * | Peter J Douglas Engineering Ltd | 59,431 | |
| AMEC Group Ltd | 553,747 | | Shepley Engineers Ltd | 53,528 | |
| Wood Group Engineering (North Sea) Ltd | 442,635 | | RBG Ltd | 52,363 | |
| Siemens plc | 261,946 | * | Interface Contracts Ltd | 49,704 | |
| Production Services Network (UK) Ltd | 244,053 | * | Granite Services Inc (UK) | 49,160 | |
| Aker Solutions E & C Ltd | 194,439 | * | Promanex (Construction & Maint. Services) Ltd | 47,345 | |
| Petrofac Facilities Management Ltd | 158,263 | * | C & A Pumps Ltd | 45,585 | |
| Shaw Group UK Ltd | 140,408 | | Air Products Plc | 45,562 | |
| Cordell Group Ltd | 135,890 | | PTF Engineering Ltd | 44,480 | |
| Jacobs LES Ltd | 129,737 | * | Laker Vent Engineering Ltd | 44,773 | * |
| Southern Electrical Contractors Ltd | 120,283 | * | CLS Offshore Ltd | 39,545 | |
| Fabricom Oil Gas & Power Ltd | 118,497 | | BIS O'Hare Ltd | 38,319 | |
| M W Kellogg Ltd | 114,520 | | Pruce Newman Pipework Ltd | 36,777 | |
| Alstom Power Ltd | 110,523 | * | KLEN Construction Services Ltd | 36,000 | |
| Aker Offshore Partner Ltd | 101,760 | | Rhyal Engineering Ltd | 33,776 | |
| Main Port Engineering (1990) Ltd | 86,325 | | KBR | 33,260 | |
| Unit Engineers & Constructors Ltd | 84,459 | | Meldan Fabrications Ltd | 32,201 | |
| R Blackett Charlton Ltd | 73,381 | | Interserve Industrial Services Ltd | 31,996 | |
| TEI Limited | 73,050 | * | Foster Wheeler Energy Ltd | 30,500 | * |
| VT Nuclear Services Ltd | 69,998 | | Pipex Ltd | 29,855 | |
| C B & I UK Ltd | 67,555 | | Quartzelec Ltd | 29,388 | |
| Rayfern Ltd | 66,471 | | ICEL Group Ltd | 29,093 | |
| Watson Steel Structures Ltd | 64,500 | | AV Technology Ltd | 29,050 | |
| AMEC Nuclear UK Ltd | 62,283 | | G R Carr (Essex) Ltd | 27,747 | |
| Wyndham UK Limited (in liquidation) | 59,625 | | Grayton Engineering Ltd | 27,668 | |
| | | | Sub total | 5,316,025 | |
| | | | Other grants | 1,356,552 | |
| | | | Total | 6,672,577 | |

* A member of the Board of Trustees is employed by this employer or a member of an associated company.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

8) DIRECT COSTS

Direct costs have been recorded against activity cost categories on a basis consistent with the use of the resources. In the main, they comprise costs which have been directly incurred in fulfilling the relevant charitable activity. For example, most Training Provider costs have been incurred in consideration of services provided by training providers in the training and assessment of apprentices (recruiting and developing new entrants). Product development costs largely relate to consultancy costs incurred in the development of training products and materials used in the re-skilling and skill enhancement of existing industry workers. Other direct costs have been allocated to the cost categories to reflect the activity in which the cost arose.

| | Apprenticeships and Careers | Skills & Technical Programme | Management & Professional Programme | Awards & Qualifications | Total |
|---|--------------------------------|---------------------------------|---|----------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Training Provider Costs | 2,009 | - | - | - | 2,009 |
| Trainee Costs | 1,537 | - | - | - | 1,537 |
| Recruitment Costs | 259 | - | - | - | 259 |
| Product Development Costs | - | 16 | 225 | 26 | 267 |
| Research Costs | 17 | 4 | 3 | 4 | 28 |
| TECSkills Programme Costs | - | 14 | - | - | 14 |
| Train to Gain | - | 83 | - | - | 83 |
| WISE Project | - | 65 | - | - | 65 |
| Off Site Courses | - | - | 53 | - | 53 |
| Project Management Courses | - | - | 796 | - | 796 |
| SMTD Courses | - | - | 403 | - | 403 |
| Technical Managerial Courses | - | - | 411 | - | 411 |
| ECITB ACTIVE Cup | - | - | 78 | - | 78 |
| ACE | - | - | - | 23 | 23 |
| ECITB Safety Passport Costs | - | - | - | 122 | 122 |
| Vocational Qualifications | - | - | - | 254 | 254 |
| Training Provider Accreditation & Monitoring | - | - | - | 129 | 129 |
| Vocational Qualifications Reform Programme | - | - | - | 228 | 228 |
| Depreciation | - | 4 | - | 14 | 18 |
| Totals | 3,822 | 186 | 1,969 | 800 | 6,777 |

9) LEVY COLLECTION COSTS AND BAD DEBTS PROVISION

| Levy Collection Costs | 2009 £'000 | 2008 £'000 |
|-------------------------------------|-----------------------|-----------------------|
| Levy Audit Costs | 0 | 14 |
| Legal Fees incurred in levy appeals | 357 | 370 |
| Debt Collection Fees | 4 | 4 |
| | 361 | 388 |

| Bad Debts Provision | 2009 £'000 | 2008 £'000 |
|-------------------------------|-----------------------|-----------------------|
| Levy Assessments under appeal | 1,602 | 1,472 |
| Irrecoverable Debts | 240 | (15) |
| Debts older than six months | 1 | 44 |
| | 1,843 | 1,501 |

10) SUPPORT COSTS

| | 2009 £'000 | 2008 £'000 |
|---|-----------------------|-----------------------|
| Staff Costs | 2,495 | 2,399 |
| Staff travel | 363 | 383 |
| Interim Management Costs | 30 | 0 |
| Premises costs | 109 | 99 |
| Office expenses | 318 | 342 |
| Staff recruitment and training | 141 | 122 |
| Marketing | 412 | 362 |
| Information Technology & Telecommunications | 55 | 54 |
| Legal (non-levy collection matters) | 15 | 7 |
| Professional Charges | 22 | 23 |
| Depreciation | 190 | 199 |
| (Profit)/Loss on disposal of fixed assets | (20) | (39) |
| | 4,130 | 3,951 |

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose. Where this is not possible (Premises Costs, Office Expenses and Depreciation) costs have been allocated on the same basis used in the allocation of staff time.

Interim Management Costs were incurred in 2009 in order to provide Account Management cover in the North West Region as a consequence of staff shortages and long term sickness absence.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

11) STAFF COSTS

Staff costs include Trustees' and Senior Staff Salaries and Pensions (see Remuneration Report).

| | 2009 £'000 | 2008 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 2,345 | 2,019 |
| Social security costs | 211 | 178 |
| Pension costs | 199 | 185 |
| Agency costs | 11 | 17 |
| | 2,766 | 2,399 |

Salary includes gross salary; performance related pay or bonuses; overtime; private or home office allowances and other allowances to the extent that they are subject to UK taxation. The ECITB operates a performance-related incentive scheme in which all employees are eligible to participate (after completing initial periods of employment in their roles). In 2009, the maximum achievable incentive award amounted to 2% of an employee's basic salary.

12) STAFF NUMBERS

The numbers of employees earning over £60,000 per annum including benefits in kind, excluding pension contributions were:-

| | 2009 Number | 2008 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | - | - |
| £70,001 - £75,000 | - | 1 |
| £75,001 - £80,000 | 1 | 1 |
| £80,001 - £85,000 | 1 | - |
| £85,001 - £90,000 | - | 1 |
| £90,001 - £95,000 | 1 | - |
| £95,001 - £100,000 | - | - |
| £100,001 - £105,000 | - | - |
| £105,001 - £110,000 | - | 1 |
| £110,001 - £115,000 | - | - |
| £115,001 - £120,000 | 1 | - |

The average number of employees, by function, was:-

| | 2009 Number | 2008 Number |
|--|----------------|----------------|
| Apprenticeships and Careers, Skills & Technical Programme, Management & Professional Programme | 34 | 31 |
| Awards & Qualifications | 13 | 13 |
| Senior Management and Corporate Services | 20 | 15 |
| | 67 | 59 |

ECITB has considered the issue of allocating the numbers of staff engaged amongst each charitable activity. However, it is felt that with the exception of Awards & Qualifications (where members of staff are clearly and solely allocated to this activity) it is not possible to achieve an accurate allocation amongst the other heads of charitable activity. The table indicates that in both years approximately half of the ECITB's employees were engaged in the charitable activities of Apprenticeships and Careers, the Skills & Technical Programme, and the Management & Professional Programme. This largely reflects how all members of the organisation's regional staff are engaged in the delivery of services which span all three areas of charitable activity. Furthermore, in providing service to some employers it is not unusual for such employers' learners to be undertaking training in more than one area of charitable activity. For these reasons, it is not possible to allocate with accuracy the numbers of staff that are allocated to each of these heads of charitable activity.

13) INDUSTRY TRAINING BOARD PENSION FUNDS

The ECITB is a participating employer in the ITB Pension Funds Scheme, a multi-employer defined benefit scheme. It is not possible to identify separately the proportion of assets and funding level attributable to the ECITB. Therefore in accordance with the provisions of FRS 17 relating to multi-employer schemes, the Scheme has been accounted for as a defined contribution scheme.

The scheme comprises two funds:-

The Open Fund

The Open Fund is valued triennially by an independent qualified actuary. The last valuation reported was at 31st March 2007, which showed the net asset value of the assets was £578 million and the actuarial value of those assets represented 108% of the benefits that had accrued to the members. The valuation indicated that the actuarial value of the total assets held by the Scheme showed a small surplus of between £2.0m and £3.0m over the total Scheme liabilities, based on FRS 17 methodologies. The valuation was based on methodology and assumptions set out in a Statement of Funding Principles, which has been approved by all participating employers. For the purpose of the valuation the actuary assumed the nominal rate of return on the assets of 6% (and that future pensions in payment would increase by 3.4% per annum for Old Section members and 2.5% per annum for New Section and 2007 Section members), increases in total pensionable earnings would be 1.5% per annum.

However, the latest asset values of the Open Fund are not known. The next valuation will be carried out as at 31 March 2010.

The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During the period, employer's contributions at a rate of 10.1% for the New Section and 5.6% for the 2007 Section (as determined by the Trustees acting on the advice of the Funds' Actuaries) have been made in respect of all employees who are members of the Funds. The pension cost charge for 2009 of £199,419 (year to 31st December 2008: £184,761) represents contributions payable by the ECITB to the scheme.

The Closed Fund

The Closed Fund is valued triennially by an independent qualified actuary. The last formal valuation was at 31st March 2009, which showed the market value of the assets was £196.7 million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.26% (and that future pensions in payment would increase by 2.6% per annum).

Participating employers in defined benefit occupational pension schemes may become liable for a statutory debt under section 75 of the Pensions Act 1995 in certain circumstances, such as if the scheme starts to wind up, or the employer ceases to participate. In the case of the ECITB's participation in the ITB Pension Funds Scheme, were the ECITB to withdraw from the Scheme, or were the Scheme to be wound up, the assessment of any amounts due from the ECITB to the scheme would take account of both ITB Pension Scheme members who were current and past employees of the ECITB, and also of pension scheme members who were employees of the Engineering Industry Training Board prior to 1991.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

14) GOVERNANCE COSTS

| | 2009 £'000 | 2008 £'000 |
|--|---------------|---------------|
| Board and Committee Costs | 40 | 55 |
| Internal Audit | 8 | 8 |
| External Audit | 35 | 32 |
| Other audit undertaken by External Auditor | 2 | 3 |
| Other | 11 | 9 |
| | 96 | 107 |

The external audit costs shown above relates to the statutory audit of the ECITB's annual accounts. Other audit work undertaken by the external auditor refers to separate non-statutory engagements, including grant and pension contribution assurance work.

15) TANGIBLE ASSETS

| | Freehold Land and Buildings £'000 | Plant and Machinery £'000 | Computer Equipment and IT Software £'000 | Furniture and Equipment £'000 | Total £'000 |
|---------------------------|--|---------------------------------|---|--|----------------|
| Cost or valuation | | | | | |
| Unadjusted 1 January 2009 | 867 | 639 | 806 | 76 | 2,388 |
| Re-Classification | 0 | 26 | (22) | (4) | 0 |
| Adjusted 1 January 2009 | 867 | 665 | 784 | 72 | 2,388 |
| Revaluation | (87) | 0 | 0 | 0 | (87) |
| Additions | 0 | 191 | 21 | 0 | 212 |
| Disposals | 0 | (148) | (16) | (2) | (166) |
| At 31 December 2009 | 780 | 708 | 789 | 70 | 2,347 |

| | | | | | |
|---------------------------|------|-------|------|-----|-------|
| Depreciation | | | | | |
| Unadjusted 1 January 2009 | 0 | 305 | 774 | 64 | 1,143 |
| Re-Classification | 0 | 26 | (22) | (4) | 0 |
| Adjusted 1 January 2009 | 0 | 331 | 752 | 60 | 1,143 |
| Revaluation adjustment | (29) | 0 | 0 | 0 | (29) |
| Provided for the year | 29 | 154 | 18 | 7 | 208 |
| Disposals | 0 | (137) | (16) | (2) | (155) |
| At 31 December 2009 | 0 | 348 | 754 | 65 | 1,167 |

| | | | | | |
|------------------------------------|-----|-----|----|----|-------|
| Net book value at 31 December 2009 | 780 | 360 | 35 | 5 | 1,180 |
| Net book value at 1 January 2009 | 867 | 334 | 32 | 12 | 1,245 |

Re-Classification

The closing balances at 31st December 2008 in the 2008 accounts did not correctly reflect the classification of the asset types, although the combined value of plant and machinery, computer equipment and IT software and furniture and equipment was correct. At the year-end the cost values of computer equipment and IT software and furniture and equipment was overstated by £26,000, and the value of plant and machinery was understated by a corresponding amount. The values at the commencement of the year have been re-presented to reflect the correct position. Corresponding adjustments have been made to the depreciation provisions.

Land and buildings

Land and buildings comprise a freehold property including land of £190,800 which will not be depreciated (2008: £212,000).

The freehold land and buildings were last valued on the basis of existing use value at £1,125,000 on 31st December 2007 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Standards (6th edition). However, in view of falls in value of commercial property during 2009, the freehold land and buildings have been revalued at £780,300, by reference to movements in published commercial property value indices. It should be noted that the ECITB's usual practice between professional valuations is to adjust the value of the land and buildings by reference to the relevant commercial property index published by Jones Lang LaSalle (a financial and professional services firm specialising in real estate services and investment management). At the end of 2009 this indicated that office property values in the South East of England have fallen in 2009 by approximately 4%. However, the view of ECITB's management is that the value of the property has fallen by a higher amount for the following reasons:-

- In view of the volatility in the Jones Lang LaSalle index during the year. At the end of the 3rd quarter this indicated that market values for commercial property had fallen by 25%
- Movements in other published commercial property indices (e.g. The Financial Times) indicate that office property values have fallen in 2009 by up to 10%
- In view of the nature of the property. It is an old listed property which is regarded as being difficult to market in current market conditions

Consequently, ECITB has considered that a prudent approach should be adopted and the value of the property has been reduced by 10%. After adjustment for depreciation the value has been reduced by £58,000, and this appears as a recognised loss in the accounts.

The property value is stated at this figure in the Balance Sheet. The historic cost of the land and buildings is £1,300,000.

The cost and accumulated depreciation at 31st December 2009 includes fully depreciated assets at historical cost of £857,694 (31st December 2008: £877,077).

IT Software to the value of £5,722 has been included as a Tangible Asset (Computer Equipment & IT Software). It has not been shown separately as an Intangible Asset due to its immaterial value.

16) CAPITAL COMMITMENTS

Capital commitments at 31st December 2009 amounted to £16,910 (31st December 2008: £nil). This relates to the purchase of a motor vehicle, which was ordered in 2009 and delivered in 2010.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

17) INVESTMENTS

| | 2009 £'000 | 2008 £'000 |
|--|---------------|---------------|
| Listed investments | | |
| Market value at 1 January | 9,573 | 9,813 |
| Purchases | 2,404 | 4,196 |
| Sales | (1,152) | (5,031) |
| Net Profit/(Loss) | 76 | 595 |
| Market value at 31 December | 10,901 | 9,573 |
| Cash investments | 8,346 | 4,984 |
| Total market value at 31 December as confirmed by investment portfolio manager | 19,247 | 14,557 |
| Fixed asset investments | 10,901 | 9,573 |
| Current asset investments | 8,346 | 4,984 |
| | 19,247 | 14,557 |

The investment portfolio is managed by Schroder & Company as discharged by the Trustees. Details of material investments are as follows:-

| | % Value of Portfolio |
|---|----------------------|
| European Investment Bank Bonds 7.12.11 (5.5% Fixed Interest) | 11.1% |
| European Investment Bank Bonds 14.1.13 (4.5% Fixed Interest) | 25.5% |
| Lloyds TSB Bank Plc Bonds 16.3.12 (2.75% Fixed Interest) | 6.1% |
| Nationwide BS 21.11.11 (3.75% Fixed Interest) | 5.1% |
| Yorkshire Building Society Bonds 7.2.11 (2.25% Fixed Interest) | 4.0% |
| European Investment Bank Bonds 7.3.13 (2.875% Fixed Interest) | 2.6% |
| Royal Bank of Scotland Plc Bonds 14.11.11 (4.125% Fixed Interest) | 2.2% |
| Bank and cash | 43.4% |

A proportion of the investment portfolio is used to finance the day to day running of the ECITB. Investments may be converted to cash within a very short period, typically 2 weeks.

18) DEBTORS

| | 2009 £'000 | 2008 £'000 |
|--------------------------------|---------------|---------------|
| Levy Debtors | 3,220 | 3,590 |
| Bad Debt Provision | (3,126) | (3,405) |
| Levy raised but uncollected | 94 | 185 |
| Prepayments and accrued income | 494 | 286 |
| Trade debtors | 220 | 138 |
| | 808 | 609 |

The corresponding note in the 2008 accounts showed Other debtors. These comprised Trade debtors.

| Balances with intra Governmental Bodies | | |
|--|-----|-----|
| Central Government Bodies | 154 | 6 |
| Local Authorities | 2 | 2 |
| NHS Bodies | - | - |
| Public Corporations & Trading Funds | - | - |
| Balances with Other Bodies | 652 | 601 |
| | 808 | 609 |

Levy raised but uncollected represents the uncollected levy assessed in respect of the base period 2008-09 on employers which failed to make statutory declarations of labour payments made in the base period. The assessments were based on the ECITB's estimates of the labour payments made in respect of the workers in the relevant establishments. In accordance with the accounting policy described in Note 1 such uncollected levy is shown as a creditor and a levy debtor in the 2009 balance sheet.

19) LOSSES, SPECIAL AND OTHER PAYMENTS

On 10th May 2010 Sellafield Limited and the ECITB completed an agreement relating to the appeals lodged by Sellafield Limited against levy assessments in respect of the base periods 2005/06 to 2008/09 inclusive. Under the agreement:-

- Sellafield Ltd has accepted without admission as to future years that the directorate known as "Nuclear Decommissioning and Major Projects" (previously known as "Clean-Up") was a leviable establishment during the base periods 2005/06 to 2007/08 and that the two directorates known as "Decommissioning" and "Major Projects" were leviable establishments during the base period 2008/09
- ECITB has agreed that training undertaken by Sellafield Ltd between January 2007 and December 2009 would have attracted grant funding, and that training proposed in 2010 is likely to attract grant funding

As a result of this agreement, debts of £3.7m relating to 2007, 2008 and 2009 levy income, which will not be recovered, have been off-set against the related bad debt provision. As these debts have been fully provided for within "Levy collection costs and bad debt provision" in the Statement of Financial Activities for 2009 and previous years, there is no net effect of this transaction on reported outturn or net assets.

20) CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £'000 | 2008 £'000 |
|---------------------------|-----------------------------|-----------------------------|
| Grants payable | 2,346 | 2,497 |
| Taxes and social security | 13 | 11 |
| Trade creditors | 593 | 1,066 |
| Expense creditors | 9 | 11 |
| HMRC | 9 | - |
| Accruals | 1,661 | 542 |
| Deferred income | 343 | 354 |
| | 4,974 | 4,481 |

The corresponding note in the 2008 accounts showed Other creditors. These comprised Trade creditors and Expense creditors (e.g. employees to whom ECITB owed monies claimed for reimbursement of business expenses incurred).

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

| | | |
|--|-------|-------|
| Balances with intra Governmental Bodies | | |
| Central Government Bodies | 21 | 11 |
| Local Authorities | - | 1 |
| NHS Bodies | - | - |
| Public Corporations & Trading Funds | - | - |
| Balances with Other Bodies | 4,953 | 4,469 |
| | 4,974 | 4,481 |

21) FINANCIAL INSTRUMENTS

FRS 29 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks the ECITB faces in undertaking its activities.

Because of the largely non-trading nature of its activities and the requirements of the financial framework set by BIS, ECITB is not exposed to the degree of risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial standard mainly applies. ECITB has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not considered to change the risks the organisation faces in undertaking its activities.

ECITB has undertaken a review of its financial assets and liabilities, and has concluded that they do not contain any material embedded derivatives, which require disclosure in these accounts.

Financial assets by category:-

| | Note | 2009 (£'000) |
|--------------|---------|-----------------|
| Investments | 17 | 19,247 |
| Debtors | 18 | 808 |
| Cash at bank | 26 & 27 | 825 |

Financial liabilities by category:-

| | Note | 2009 (£'000) |
|-----------|------|-----------------|
| Creditors | 20 | 4,974 |

Investment Risk

ECITB's investment portfolio is invested in accordance with rules approved by the Secretary of State. These only permit investment in a range of high quality fixed interest-bearing instruments. Investment in equities is not permitted. The investment portfolio is managed by Schroder & Company, which adheres to these rules. In 2009, market performance has not increased in line with the investment balance. Due to market volatility there is a risk that ECITB may receive a reduced level of investment income in 2010. However, as indicated, the risk is minimised because the investment manager works to a low risk profile instruction.

Interest Rate Risk

ECITB has limited exposure to interest rate risk on its financial assets. Such risk is limited to interest rate fluctuations which affect its bank accounts.

Credit and Liquidity Risks

ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (Notes 17, 18 and 20). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). Bad and doubtful debts are provided for on an individual basis when ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction. Write-offs in the year for bad debts amounted to £17,000 (2008: £69,000). It should be noted that a full bad debt provision is made when a formal appeal against an assessment for industrial training levy is made by an employer, regardless of the likelihood of the ECITB's success in the appeal (see Note 1).

The organisation has no borrowings and relies primarily on the industrial training levy for its cash requirements. ECITB's principal exposure to risk is primarily attributable to levy debtors. However, this risk is minimised because most major levy debtors are familiar to ECITB. The organisation holds reserves, which are sufficient to cover run-out costs (i.e. the costs of completing training programmes and meeting closure costs in the event that ECITB ceases to operate). Consequently, ECITB is not exposed to material liquidity risks.

Foreign Currency Rate Risk

ECITB operates a Euro bank account solely for the purpose of receiving and making payments in connection with a European Union funded project (WISE – see Note 3). The approximate annual value of both income and expenditure is in the region of £70,000.

All other assets are held in sterling, and so there is no exchange risk.

Accordingly, it is not considered that ECITB is exposed to a material foreign currency rate risk.

22) FINANCIAL COMMITMENTS

Financial commitments at 31st December 2009 are estimated to amount to £10.78m (2008: £11.6m). These comprise the value of outstanding payments which the ECITB has committed to pay to various parties involved in the training of apprentices. The parties to which such commitments have been made are training providers, industry employers and apprentices. These commitments are contracted for, but not provided in the accounts. The commitments have been categorised by the years in which the apprentice "cohorts" commenced their apprenticeships.

| | 2009 £'000 | 2008 £'000 |
|-------------------------------------|---------------|---------------|
| 2004 and earlier apprentice cohorts | 18 | 144 |
| 2005 apprentice cohort | 74 | 928 |
| 2006 apprentice cohort | 940 | 1,257 |
| 2007 apprentice cohort | 1,772 | 2,124 |
| 2008 apprentice cohort | 3,323 | 7,177 |
| 2009 apprentice cohort | 4,658 | - |
| | 10,785 | 11,630 |

The commitments in respect of the 2004 and earlier, 2005 and 2006 cohorts have significantly reduced as a consequence of the completion of apprenticeships during the year. The year-end commitments in respect of these cohorts reflect the reduced numbers still in the process of completing their programmes. The commitments in respect of the 2007 and 2008 cohorts have fallen following the payment of interim grants to employers and programme costs during the year relating to the learners. The remaining commitments at the year-end largely reflect the outstanding grant payments which will be paid in 2010 and 2011. The commitments relating to the 2009 cohort were made upon the commencement of the relevant learners' programmes, and by the year-end grant and programme costs only in respect of the initial months of training had been discharged. Other financial commitments arising from contracts made with other service providers are not material.

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

23) OPERATING LEASES AND COMMITMENTS

As at 31st December 2009 the ECITB had the following commitments under the terms of tenancy and licence arrangements relating to its regional resource centres (offices).

| | 2009 £'000 | 2008 £'000 |
|---------------------------|---------------|---------------|
| Within 1 year | 49 | 46 |
| Between two to five years | 0 | 0 |
| After five years | 0 | 0 |
| | 49 | 46 |

24) UNRESTRICTED FUND

| | 2009 | 2009 | 2009 | 2008 | 2008 | 2008 |
|--------------------------------|---------------------|------------------------|-------------------|---------------------|------------------------|-------------------|
| | General Reserves | Revaluation Reserve | Total Reserves | General Reserves | Revaluation Reserve | Total Reserves |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 January | 13,573 | 247 | 13,820 | 9,306 | 469 | 9,775 |
| Surplus/(Deficit) for the year | 3,324 | (58) | 3,266 | 4,267 | (222) | 4,045 |
| Balance at 31 December | 16,897 | 189 | 17,086 | 13,573 | 247 | 13,820 |

25) RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | Note | 2009 £'000 | 2008 £'000 |
|---|------|---------------|---------------|
| Net incoming (outgoing) resources | SOFA | 3,405 | 3,657 |
| Depreciation | 15 | 208 | 199 |
| Investment income | SOFA | (723) | (928) |
| (Profit) on disposal of fixed assets | 10 | (20) | (39) |
| Decrease/(Increase) in debtors | | (182) | 713 |
| Increase in creditors | 20 | 493 | 692 |
| Net cash inflow (outflow) from operating activities | | 3,181 | 4,294 |

26) RECONCILIATION OF CHANGES IN CASH TO NET FUND

| | 2009 £'000 | 2008 £'000 |
|------------------------|---------------|---------------|
| Balance at 1 January | 1,890 | 825 |
| Change in cash | (1,065) | 1,065 |
| Balance at 31 December | 825 | 1,890 |

27) ANALYSIS OF CHANGES IN NET FUND

| | At 01/01/09 £'000 | Cashflows £'000 | At 31/12/09 £'000 |
|----------------|----------------------|--------------------|----------------------|
| Cash at bank | 1,890 | (1,065) | 825 |
| Bank overdraft | - | - | - |
| | 1,890 | (1,065) | 825 |

All cash at bank is held in commercial banks.

28) CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date.

29) RELATED PARTY TRANSACTIONS

Some members of the Board of Trustees also hold positions with and/or are employees of organisations with which the ECITB has transacted during the year. Details of such positions and employments are declared in the Register of Interests of Trustees, which appears in Appendix C of this report. These transactions have included the receipt of levy, payment of grants, provision of training, award of qualifications and procurement of training.

All of the transactions were under normal terms and carried out at arms length. The total sums involved were:-

| | 2009 £'000 | 2008 £'000 |
|--|---------------|---------------|
| Transactions with related Employers | | |
| Levy paid to ECITB | 10,862 | 8,429 |
| Payment of Grants | 3,547 | 2,491 |
| Provision of Apprentices | 168 | 606 |
| Purchase of Training Services by ECITB | 101 | 149 |

FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

ECITB is a Non Departmental Public Body. Between January and early June 2009 ECITB was sponsored by the Department for Innovation, Universities and Skills (DIUS). In June 2009, DIUS and the Department for Business, Enterprise and Regulatory Reform (BERR) merged forming the Department for Business, Innovation and Skills (BIS). For the purposes of this note, DIUS and BIS will be referred to as the Department, which is regarded as a related party. During the year ECITB has had a number of material transactions with the Department and other entities for which the Department is regarded as the parent Department, namely the Learning & Skills Council, the Sector Skills Development Agency and the Construction Industry Training Board.

In addition, ECITB has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with The Scottish Executive and HM Revenue & Customs.

During the year, no key manager, employee or other related parties has undertaken any material transactions with ECITB.

30) POST YEAR END EVENTS

The financial statements were authorised for issue on 30th June 2010 by the Accounting Officer.

The agreement reached in May 2010 between ECITB and Sellafield Ltd has resulted in an adjusting post balance sheet date event, as explained at note 19. It was also agreed that ECITB's legal fees would be reimbursed, up to a maximum of £700,000. No adjustments have been made to the 2009 accounts in relation to this reimbursement.

No other events have occurred since the balance sheet date that affect the reader's understanding of the financial statements.

Appendix A

PRINCIPAL OFFICE AND OTHER OFFICES, CHARITY REGISTRATION DETAILS AND GENERAL INFORMATION

Head Office and Principal Address

Blue Court, Church Lane, Kings Langley, Herts, WD4 8JP.

Other regional offices

| | |
|--------------------------------|--|
| Offshore | ECITB Resource Centre, Suite 11, Enterprise Business Centre, Admiral Court, Poynerook Road, Aberdeen, AB11 5QX |
| Scotland | ECITB Resource Centre, Unit 26, Evans Business Centre, Earls Road Industrial Estate, Grangemouth, FK3 8UU |
| North East | ECITB Resource Centre, The Innovation Centre, Vienna Court, Kirkleatham Business Park, Redcar, Cleveland, TS10 5SH |
| North West | ECITB Resource Centre, Office Suite 25, Blackburn Enterprise Centre, Furthergate, Blackburn, Lancashire, BB1 3HQ |
| Yorkshire & Humberside | ECITB Resource Centre, Humberside Client/Contractor Training Association, Kiln Lane, Stallingborough, North East Lincs, DN41 8TH |
| Midlands | ECITB Resource Centre, Warwickshire College, Rugby Centre, Lower Hillmorton Road, Rugby, Warks, CV21 3QS |
| Wales & South West | ECITB Resource Centre, ITEC Training Solutions Ltd, 45 Penarth Road, Cardiff, CF10 5DJ |
| South East & East and Off-site | ECITB's Head Office and Principal Address |

Charity registration details

Registered as a charity in England and Wales with The Charity Commission No. 264506.

ECITB's Equal Opportunities Policy

The ECITB are committed to being an equal opportunities employer and the aim is to develop all staff to enable them to make a full contribution to meeting the Board's objectives and to fulfil their own potential on merit. The ECITB will promote and support our policy to ensure that no job applicant, employee or customer receives less favourable treatment than any other on the grounds of sex, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability or sexual orientation.

"Service First" and Open Government

The Board fully supports and applies the principles of the Government's new Charter programme "Service First", which has replaced the Citizen's Charter. The aims of the Charter are to raise the standards of public service and make them more responsive to the wishes of the users. The Board also complies with the Government's Code of Practice on Access to Government Information. The Code of Practice supports the Charter principle of extending access to official information and responding to reasonable requests for information.

The Board has developed and adopted its own Code of Best Practice for Board Members, based on a model produced by HM Treasury. The Code of Best Practice complies with the recommendations of the Nolan Committee on Standards in Public Life.

The ECITB is continuing to develop its website as a source of information about its activities.

Complaints

Any complaint concerning conduct of the ECITB should be addressed in the first instance to the Chief Executive.

APPENDICES

Appendix B

TRUSTEES

The names of those serving as charitable trustees of the ECITB on 1st June 2010 are shown below, together with the names of those who have stepped down since 1 January 2009.

As specified in Schedule 1 of the Industrial Training Act 1982, Trustees are appointed by the Secretary of State for Business, Innovation and Skills, normally for three to five years, following a public appointment process. Nominations of candidates from the industry's employers are sought from employers which participate in the ECITB's Regional Forums, and from the principal trade associations. Nominations for employee representatives are made by the Trades Unions. Candidates from the education sector are appointed after consultation with the Ministers concerned with education in England, Scotland and Wales.

Trustees are introduced to the ECITB's work through an induction meeting with the Chief Executive and receive ongoing support from the Secretariat. As all members are required to have industrial or commercial experience, further training (whether formal or informal) is provided to support specific duties, such as participation in the Audit Committee.

Trustees are responsible for agreeing the ECITB's policies, business and financial plans and delegating operational decision-making to the Executive Team. In addition to serving on the Board, some will also take part in policy making as members of the Management Board and the Audit Committee (both sub-committees of the Board) as shown in Appendix D. The Audit Committee is also supported by other volunteers from the industry.

| Current and former Trustees (2009) | |
|---|------------------------|
| Mr T M Lazenby - Chairman | |
| Mr G Beattie | |
| Mr D Billington | |
| Mr M Bretherick | Retired July 2009 |
| Mr B Buchan | |
| Mr A Collinson | |
| Mr N Davis | Retired March 2009 |
| Mr C Ennis | Appointed May 2009 |
| Mrs L Ferguson | |
| Mr M Fletcher | |
| Miss C Forbes | |
| Mr J Gammage | Appointed April 2009 |
| Mr P Gotts | |
| Mr I Greenbeck | Appointed July 2009 |
| Mr T Hardacre | |
| Mr K Hazlewood | |
| Mr M Hockey | |
| Mr J Hornby | |
| Mr M Jex | Retired June 2009 |
| Mr J Jones | Resigned November 2009 |
| Mr T Jones | Retired June 2009 |
| Mr R Leamon | Resigned March 2010 |
| Mr D Latimer | Retired April 2010 |
| Mr S Lee | Resigned April 2009 |
| Mrs T McDougall | |
| Mr J Mellon | |
| Mr T Millard | |
| Mr W Murray | |
| Mr A Smith | |
| Mr R Ventre | Appointed July 2009 |

Appendix C

REGISTER OF INTERESTS OF TRUSTEES

Trustees are appointed by the Secretary of State because of their positions in the industry. The following Board members (who are serving as charitable trustees at 1st June 2010 or who have stepped down since 1 January 2009) have declared the following other interests:-

| | |
|-----------------|--|
| Mr G Beattie | Assignment Manager, Production Services Network Chairman of the Oil Chaplaincy Trust – a charity that assists oil related personnel in times of illness and hardship |
| Mr D Billington | Managing Director, TEI Limited President of Engineering Construction Industry Association |
| Mr M Bretherick | Vice-Principal and Deputy Chief Executive, Hartlepool College of Further Education (which supplies services to ECITB via apprentice training) Director, Hartlepool Business Development Centre Ltd |
| Mr B Buchan | Director, Operations Support, Doosan Power Systems Ltd (supply training services to the ECITB) |
| Mr A Collinson | Director, Alstom Power Service Director, Vintage Sports Car Club Ltd Vice President, Engineering Construction Industry Association |
| Mr N Davis | Managing Director, Crawford UK Limited |
| Mr C Ennis | Divisional Managing Director, Siemens Energy Services Chairman, North East Regional Leadership Team, Business in the Community Board Member, South Tyneside and Newcastle Groundwork |
| Ms L Ferguson | Head of Learning & Development, Petrofac Ltd (Contract for National Assessment Service held by Petrofac Training which is a division of Petrofac) |
| Mr M Fletcher | Chief Engineer - Welding, Doosan Power Systems Ltd Governor, Fairoak Business & Enterprise College, Rugeley |
| Miss C Forbes | Human Resources Director, JP Kenny (wholly owned by Wood Group) |
| Mr J Gammage | Divisional Director, Pyeroy Limited Management Board Member, Engineering Construction Industry Association Director, Impress Humberside Director, CATCH Stallingborough |
| Mr P Gotts | Director, Levenholme Consultancy Ltd – engaged primarily with the North East Process Industries Cluster Consultant to the North East Process Industries Cluster (NEPIC) Chairman, Teesside Client & Contractor Group (TCCG) Member, Steering Group of the North Engineering Manufacturers Alliance Member, Capital Projects Clients Group (CPCG) |
| Mr I Greenbeck | Director, Jacobs LES Ltd Board Member, Impress (HCCTA Ltd) – local non-profit making training organisation Board Member, Humber Chemical Focus – non-profit making regional development organisation managing the CATCH facility |
| Mr T Hardacre | National Officer, Unite the Union Member of Joint Industry Board for Electrical Contracting Member of NAECl Other Industry Pension Schemes (Trustee) |
| Mr K Hazlewood | National Secretary, GMB Trade Union |
| Mr M Hockey | Managing Director, Engineering Construction Industry Association Member, ACE Steering Group |
| Mr J Hornby | Director of Construction, Commissioning & Completion, Aker Solutions E & C Ltd Chairman, NETA Training |
| Mr M Jex | Consultant contracted to Jacobs LES Ltd Board member of Impress (HCCTA Ltd) – Local training organisation, non-profit making Board member of Humber Chemical Focus – Regional development organisation managing the 'CATCH' facility, non-profit making |
| Mr J Jones | Safety Advisor, Siemens Power Generation Director, Safety Services Swansea |
| Mr T Jones | Alliance Manager, AMEC Nuclear Ltd |
| Mr D Latimer | Director, British Chemical Engineering Contractors Association (BCECA) Director, Don Latimer Consulting |
| Mr T Lazenby | Chairman, Portsmouth Water Ltd Director, Seamab Consultancy Ltd Trustee, Panasonic Trust Trustee, ITB Pension Fund |

APPENDICES

Appendix C (continued)

| | |
|-----------------|--|
| Mr R Leamon | Manager, HSEQS, Foster Wheeler Energy Ltd Council Member, British Chemical Engineering Contractors Association (BCECA) |
| Mr S Lee | Director, AMEC Power & Process Division Chairman, Energy Industrial Council Management Board Member, Engineering Construction Industry Association |
| Mrs T McDougall | HR Manager, Washington E&C Ltd |
| Mr J Mellon | Industrial Relations Consultant, Interserve Industrial Services Ltd Manager, Grangemouth Contractors' NVQ Approved Centres Chairman, ACE Scottish Regional Group |
| Mr T Millard | General Manager, SEC Electrical & Instrumentation Employer's Chairman Joint Chairman, Fawley Mechanical Joint Council |
| Mr W Murray | Director and Company Secretary Offshore Contractors' Association (OCA) Company Secretary, Enviro-Resource Ltd |
| Mr A Smith | Managing Director, Redhall Engineering Solutions Ltd Managing Director, Jordan Manufacturing Ltd Managing Director, CHB-Jordan Ltd |
| Mr R Ventre | Chief Executive, Laker Vent Engineering Ltd General Council Member, Engineering Construction Industry Association Member, Engineering Construction Industry Member, British Safety Council Member, The Welding Institute |

Appendix D

MEMBERSHIP OF BOARD AND COMMITTEES AS AT 1st JUNE 2010

| | * = Trustee | | MAIN | MANAGEMENT | AUDIT | QUALIFICATIONS & AWARDS |
|--|--|---|--------------|--------------|--------------|-------------------------|
| Mr T Lazenby | | * | CHAIR | CHAIR | ✓ | |
| EMPLOYER REPRESENTATIVES | | | | | | |
| Mr B Buchan | | * | ✓ | | | |
| Mrs L Ferguson | | * | ✓ | | ✓ | |
| Miss C Forbes | | * | ✓ | | | |
| Mr C Ennis | | * | ✓ | | | |
| Mrs T McDougall | | * | ✓ | | | |
| Mr A Smith | | * | ✓ | | | |
| Mr G Richards | | | | | ✓ | |
| REGIONAL CHAIRS | | | | | | |
| Mr G Beattie | Offshore | * | ✓ | ✓ | | |
| Mr J Hornby | North East | * | ✓ | | | |
| Mr I Greenbeck | Yorkshire & Humberside | * | ✓ | | | |
| Mr M Fletcher | Midlands | * | ✓ | | | ✓ |
| Mr J Mellon | Scotland | * | ✓ | | | |
| Mr R Ventre | North West | * | ✓ | | | |
| Mr T Millard | South East & East | * | ✓ | ✓ | | |
| EMPLOYER ASSOCIATION REPRESENTATIVES | | | | | | |
| Mr W Murray | Offshore Contractors Association (OCA) | * | ✓ | ✓ | ✓ | |
| Mr M Hockey | Engineering Construction Industry Association (ECIA) | * | ✓ | ✓ | ✓ | |
| Mr D Billington | President ECIA | * | ✓ | | | |
| TRADE UNION REPRESENTATIVES | | | | | | |
| Mr K Hazlewood | | * | ✓ | | | |
| Mr T Hardacre | | * | ✓ | ✓ | | |
| CLIENT REPRESENTATIVES | | | | | | |
| Mr P Gotts | | * | ✓ | ✓ | | |
| NON-EXECUTIVE DIRECTORS | | | | | | |
| Mr A Collinson | | * | ✓ | ✓ | CHAIR | |
| Mr J Gammage | | * | ✓ | ✓ | | CHAIR |
| QUALIFICATIONS & AWARDS COMMITTEE | | | | | | |
| Mr P Turner | | | | | | ✓ |
| Ms L Thornton | | | | | | ✓ |
| Ms J Clark | | | | | | ✓ |
| Mr R Clarke | | | | | | ✓ |

APPENDICES

Appendix E

CHIEF EXECUTIVE OFFICER AND SENIOR STAFF

The ECITB's Executive Team comprises:-

Chief Executive Officer

David Edwards

E-mail: DavidEdwards@ecitb.org.uk
Direct Tel: 01923 402121

Director of Finance & Board Secretary

Peter Hill

E-mail: PeterHill@ecitb.org.uk
Direct Tel: 01923 402124

Director of Operations

Tony Featherstone

E-mail: TonyFeatherstone@ecitb.org.uk
Direct Tel: 01923 402133

Director of Development & Quality

Nigel Spencer

E-mail: NigelSpencer@ecitb.org.uk
Direct Tel: 01923 402132

The Executive Team can be contacted by post at:-

ECITB
Blue Court
1 Church Lane
Kings Langley
Hertfordshire
WD4 8JP

Appendix F

EMPLOYER, EMPLOYEE, INDUSTRY, EDUCATIONAL AND GOVERNMENTAL ORGANISATIONS

ECITB maintains close contact with the following associations and bodies concerning skills and training issues.

Employer organisations

British Chemical Engineering Contractors Association (BCECA)
Engineering Construction Industry Association (ECIA)
Offshore Contractors Association (OCA)

Trades unions

GMB
Unite

Industry bodies and associations

Association of Cost Engineers
Association of Project Management
Capital Projects Client Group (CPCG)
European Construction Institute
National Joint Council for the Engineering Construction Industry (NJC)
North East Process Industries Chemical Cluster
Skillweld Industrial Leadership Team
Steering Committee of the Engineering Council UK
Tees Valley Engineering Partnership
Yorkshire Forward Chemical Alliance

Educational organisations and training providers

| | |
|--|--|
| 1st Milestone Ltd | Michael Carter Associates Ltd |
| 20/20 Business Insight Ltd / Business Management | Middlesbrough College |
| 2VT | Midland Group Training Services Ltd |
| ABAX Consultancy | Milestone Project Management Solutions |
| Aberdeen Computer Services | Mines Rescue Service Ltd |
| ACE Training Solutions Ltd | MLJ Safety Health & Environmental Ltd |
| Acorn Learning & Development Solutions Ltd | Monitor Management Control Systems Ltd |
| ACT Associates Ltd | Morris Material Handling Ltd |
| Adept Knowledge Management Ltd | Neath Port Talbot College |
| Advanced Safety Training Services | NETA Training Trust |
| AIM Academy Ltd | Network Training Services Ltd |
| Aker Solutions | Newcastle-Under-Lyme College |
| Alliance Learning Ltd | NLT Training Services Ltd |
| Alstom Power Ltd | North Highland College |
| AMEC Group Ltd | North Lindsey College Properties Ltd |
| Angus College | North Notts Create Ltd |
| AP Training Ltd | North West Kent College |
| Applus RTD UK Ltd | Northern Assessment Centre Ltd |

APPENDICES

Educational organisations and training providers (continued)

| | |
|--|--|
| ARC Training Solutions Ltd | Northern Safety Ltd |
| Area North Training Safety Services Ltd | Northumberland College |
| Ascenda (Kent) Ltd | Occupational Safety Training and Advisory Services Ltd (OSTAS) |
| ASET (Aberdeen Skills and Enterprise Training) Ltd /Aberdeen College | Oceaneering International Services Ltd |
| AVEVA Engineering IT Limited | Offshore Design Engineering Ltd |
| Aveva Solutions Ltd | Oldham Engineering Group Training Association Ltd (OTC) |
| Aztec Technical Services Ltd | On Site Safety Solutions Ltd |
| Banff and Buchan College | Paisley & Johnstone Training Group Ltd |
| Barry College | Peak Performance |
| Barry Training Services Ltd | Pembrokeshire College |
| Basingstoke College of Technology | Peta Ltd |
| Bentley Systems (UK) Ltd | Peterborough College |
| BETA Training | Phoenix Safety Services Ltd |
| Bill Rogerson Safety Services Ltd | Phoenix Training Solutions Ltd |
| Brinsworth Training Limited | Pipex Ltd |
| British Safety Services | Pivotal Performance Ltd |
| Brunel & Gordano Training Group | Plymouth College |
| BSSHSE LTD (T/A British Safety Services Ltd) | Premier Corporate Training Services Ltd |
| BTAL (UK) Ltd | Production Services Network (UK) Ltd |
| C & G Services (Europe) Ltd | Prospects Business Training Ltd |
| C&A Pumps Ltd | Providence Training (Safety Train) Ltd |
| Cambridge University | R P S Risk Management |
| Cape DBI | RBG Ltd |
| Carnegie College | Redcar & Cleveland College |
| CB&I (UK) Ltd | Richmond Upon Thames College |
| Central Training Services Ltd | Robert Gordon University |
| City College Plymouth | Royal Academy of Engineering |
| Clydebank College | RPC UK |
| Coleg Glan Hafren | RSS Training & Consultancy Ltd |
| Cordell Group Ltd | S W Durham Training Ltd |
| Costain Group Plc | Safetech Training & Development Services Ltd |
| Cranfield School of Management | Safety (Training) Services |
| Creativedge Training & Development Ltd | Safety Advisory & Training Services Ltd |
| Derby College | Safety Aware Limited |
| Direct Distance Learning | Safety Direct (Hull) Ltd |
| Doosan Babcock Energy Ltd | Safety Training & Consultants Ltd |
| Doosan Power Systems Ltd | Salford and Trafford Engineering Group Training Association Ltd (STEGTA) |
| Dumfries & Galloway College | Sarens (UK) Ltd |
| E Harper (York) Ltd | School for MACE |
| EAGIT Training Services Ltd | Scottish External Verification Services |
| Eastern Training Services Ltd | Scottish Prison Services HMP Glenochil |
| EC Harris LLP | Secas Training Association Ltd |
| EDETA Limited | SETA Training & Advisory Services Ltd |
| Engineering Construction Training Ltd | Setter & Associates Ltd |
| Engineering Council | Shields Training & Consultancy Services Ltd |
| Engineering Management Partnership - University Of Bath | Sibbald Limited |
| | Siemens Power Generation / (Siemens Energy E S SF) |

| | |
|---|---|
| European Construction Institute (ECI) | Siemens Transmission & Distribution Ltd |
| Evolve International Safety Training Ltd | Simian Risk Management Ltd |
| Exemplo Ltd | Site Safety & Training Services Ltd |
| Falck NUTEC Ltd | SME Safety & Environmental Services Ltd |
| FECO Safety Services Ltd | South Lanarkshire College |
| First Intervention Training Limited | Southampton Engineering Training Association (SETA) |
| ForgeTrack Ltd | St Helens College |
| Forth Valley College | STC Global |
| Foster Wheeler Energy Ltd | Steelcraft Erection Services Ltd |
| GENII Engineering Technology Training Ltd | Stockton Riverside College |
| Grimsby Institute of Further and Higher Education (GIFHE) | Stowan Safety Ltd |
| Grimsby International College Ltd | Sutton Coldfield College |
| GSS Training Ltd | T3UK (A division of JGC Engineering & Technical Services Ltd) |
| Humberside Engineering Training Association Ltd (HETA) | TDB Training Specialists Ltd |
| HCCTA (CATCH) | TDR Training Ltd |
| HMPS - Camp Hill | Teesside University |
| HMPS - Lindholme | The College of West Anglia |
| Humberside Engineering Training Association Ltd | The Grimsby Institute of Further & Higher Education (GIFHE) |
| Hunter Safety and Training | The Manchester College c/o HMPS - Lindholme |
| Hydratight Operations Ltd | The TTE Technical Training Group |
| Integral Training Services | Thermal Insulation Contractors Association |
| Intergraph (UK) Limited | Timetarget |
| Interserve Industrial Services Ltd | Torque Tension Systems Ltd |
| Inverness College | Training 2000 Ltd |
| IPS International Ltd | Training Management Systems Ltd |
| ITCA | Trainow Ltd |
| Jacobs LES Ltd | TTE Training Limited |
| JEP Safety Services | UK Safety Services |
| JGC Engineering & Technical Services Limited (T/A T3UK) | University of Aberdeen |
| Keith Bassendine ITC | University of Bath |
| Kingston University | University of Manchester |
| Kirkdale Industrial Training Services Ltd | University of Northumbria |
| KT Associates | University of Teesside |
| Lattitude Safety Ltd | Vital Resources Ltd |
| Link Associates International Ltd | W J L Safety Management |
| Loughborough University | Warwickshire College |
| Lowestoft College | Waterside Training Ltd |
| Lowton Training Services Ltd | Wiltshire College |
| Maggie Braid Associates Ltd | Wolviston Management Services Ltd |
| Maritime & Engineering College North West | Wood Group Engineering (North Sea) Ltd |
| MC2 Technical Recruitment Ltd | Worley Parsons Europe Ltd |
| MECsafe Ltd | Yorkshire Training Services |
| MetTECH UK | |

APPENDICES

ECITB approved centres

| | |
|---|--|
| Aberdeen College | Maritime and Engineering College North West |
| Aker Kvaerner Offshore Partner | Mettech Training |
| Alliance Learning | Michael Carter Associates |
| Alstom Power Services UK | Middlesbrough College |
| AMEC Natural Resources | Motherwell College |
| Angus College | Neath Port Talbot College |
| ARC Training North East Ltd | NETA Training |
| Ascenda (Kent) Ltd | Newcastle College |
| Avon Vale Training | Newcastle-Under-Lyme College |
| Banff and Buchan College | Northumberland College |
| Blackpool and Fylde College | OLCI Construction Training |
| Bridgend College | Paisley & Johnstone Training Group |
| City College Plymouth | Pembrokeshire College |
| Coleg Glan Hafren | Peterborough Regional College |
| College of North West London | Petrofac Training |
| College of West Anglia | Phoenix Training Solutions |
| Derby College | PM Training and Assessing Ltd |
| DETA2000 | Production Services Network |
| Develop Training | QTS |
| Doosan Babcock Services Ltd | Richmond Upon Thames College |
| EAGIT | Salford & Trafford Engineering Group Training Association (STEGTA) |
| Eastern Training Services | School of Engineering Technology |
| Edutrain International | Siemens Power Generation |
| Engineering Construction Training | South Tyneside College |
| Forth Valley College | South West Durham Training Ltd |
| GENII Engineering Technology Training Ltd | Southampton Engineering Training Association |
| Grangemouth Contractors | Stockport ETA |
| Grimsby College | Sutton Coldfield College |
| HETA | The Assessment Services Centre |
| HMP Lindholme | The North Highland College |
| Inverness College | The TTE Technical Training Group |
| IPS International | TMS Learning Centre |
| ITCA | TTE Training Ltd |
| KBR | Tullos Training Limited |
| KT Associates | Varis Training |
| Jacobs LES Ltd | Warwickshire College |
| Leeds College of Building | Wood Group Engineering Ltd |
| Maggie Braid Associates | Yorkshire Training Services |

Governmental bodies and agencies

| |
|---|
| Alliance of Sector Skills Councils |
| Alliance of Sector Skills Councils - Scotland |
| Careers Wales |
| Council for Curriculum Examinations and Assessment Northern Ireland |
| Department for Business, Innovation and Skills (BIS) |
| Department for Children Education Lifelong Learning & Skills (DCELLS) |
| Department for Energy, Climate and Change (DECC) |
| European Social Funding (ESF) |
| Highlands and Islands Enterprise (HIE) |
| Learning and Skills Council (LSC) |
| Office of the Qualifications and Examinations Regulator (OfQual) |
| Qualifications and Curriculum Authority (QCA) |
| Scottish Enterprise |
| Scottish Qualifications Authority (SQA) |
| Sector Skills Council for Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers (Cogent) |
| Sector Skills Council for Construction (CSkills) |
| Sector Skills Council for Energy & Utility (EUSkills) |
| Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA) |
| Engineering Sector (SummitSkills) |
| Sector Skills Council for the Process and Manufacturing Sector (Proskills UK) |
| Sector Skills Council for the Facilities Management, Housing, Property, Planning, Cleaning and Parking (Asset Skills) |
| Skills Development Scotland |
| Skills for Business Network (SfBN) |
| Engineering Sector (SummitSkills) |
| Sector Skills Council for the Process and Manufacturing Sector (Proskills UK) |
| Skills Development Scotland |
| Skills for Business Network (SfBN) |
| UK Commission for Employment and Skills (UKCES) |
| Sector Skills Council for the electricity, gas, waste management and water industries (Energy & Utility Skills) |
| Sector Skills Council for the Building Services |

APPENDICES

Appendix G

OTHER RELEVANT ORGANISATIONS AND PERSONS

External auditors

Comptroller and Auditor General, National Audit Office, 157-197 Buckingham Palace Road, Victoria, London, SW1W 9SP.

Internal auditors

Deloitte & Touche Public Sector Internal Audit Ltd, 3 Victoria Square, Victoria Street, St Albans, Hertfordshire, AL1 3TF.

Bankers

Barclays Bank Plc, 32 Clarendon Road, Watford, Hertfordshire, WD1 1LD.

Investment managers

Schroder & Company, 100 Wood Street, London, EC2V 7ER.

Solicitors

Shoosmiths, Witan Gate House, 500-600 Witan Gate West, Milton Keynes, Buckinghamshire, MK9 1SH.

SA Law, 60 London Road, St Albans, Hertfordshire, AL1 1NG.

Maxwell MacLaurin, 100 West Regent Street, Glasgow, G2 2QB.



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