



Engineering Construction Industry Training Board



ANNUAL REPORT &
ACCOUNTS 2013

**ENGINEERING CONSTRUCTION
INDUSTRY TRAINING BOARD**

**REPORT OF THE TRUSTEES AND ACCOUNTS
FOR THE YEAR-ENDED 31 DECEMBER 2013**

Presented to Parliament pursuant to Section 8(4) of the Industrial Training Act 1982

Ordered by the House of Commons to be printed on 16th June 2014

HC102

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This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474102858

Web ISBN 9781474102865

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 29041403 06/14

Printed on paper containing 75% recycled fibre content minimum

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CHAIRMAN'S STATEMENT



I am delighted to report to all the stakeholders of the ECITB that 2013 has been a good year for training. You will be able to read the details in the following pages. 2013 saw the ECITB secure its position as a strong and successful organisation that has earned the respect of a great many people with its comprehensive product range, the professionalism of its people and its willingness to adapt.

In 2013 the ECITB re-invested more than the net levy received (£24.4m) back into the industry. In addition, the ECITB drew on reserves it holds for industry, for investment in support of the skills and training needs of the engineering construction industry. Such expenditure exceeded £28m.

As a consequence of this investment, I am pleased to report that in 2013 there were over 82,000 individual instances of ECITB-approved training in Great Britain.

That's a huge number. But it's one we would like to see increase. By the end of 2014, we will have met our commitment to industry and over £8m will have been drawn down from reserves held by the ECITB since the beginning of 2011. We will need to find another way to raise the funds needed to meet the demand for additional training and skills from the industry.

With more funding, we can ensure the engineering construction industry will be properly supported to meet the opportunities ahead. It will ensure financial sustainability for the industry and will enable training in our industry to grow.

There are currently between 80,000 and 90,000 people working in the engineering construction industry. As the number of projects being undertaken increases, our manpower forecasts predict the industry could grow by as much as 30% over the next decade. The future is indeed bright.

Using funds raised by the training levy, the ECITB will ensure the industry is well placed to reach its potential. It will:-

- Attract the right numbers of people needed by the industry.
- Train and develop the workforce in the skills the industry needs.
- Ensure they are qualified to the levels required by the engineering construction industry.

Over the last decade, this collective, industry-led approach has delivered substantial results. The ECITB has driven a 500 per cent increase in the number of apprentices recruited each year, with a 95% achievement rate. In addition, almost 30,000 people have registered on vocational qualifications.

In 2013 the entire net training levy was reinvested in training. Of this, 77% represented training grants and 10% related to the procurement of apprenticeship and other training services. All such expenditure directly benefits employers. The remainder contributed towards the costs of maintaining training and occupational standards, promoting the industry to school and university students, developing new programmes, keeping existing products fresh and bringing employers together to safeguard the skills of the industry.

Research has shown that increasing the investment in skills and training will deliver sustainable productivity and performance; it will also reduce spiralling wage costs. In turn, competitiveness, business volume, performance and growth will be enhanced.

For the ECITB the aim for 2014 is clear. It is to continue to learn, adapt and develop; to move towards the goal of 'securing engineering construction skills, now and for the future.'

A handwritten signature in black ink, appearing to read 'A P Collinson'. The signature is fluid and cursive, with a long horizontal stroke at the end.

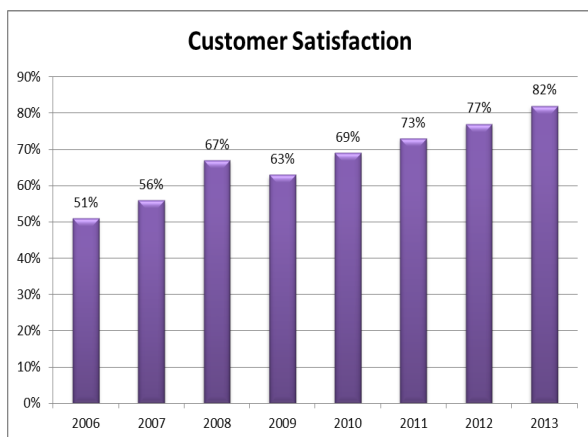
A P Collinson

CHIEF EXECUTIVE'S REVIEW

Securing a skilled workforce and reducing the skills gap has been at the forefront of all our strategic plans and goals for 2013.

Throughout 2013 the ECITB engaged with employers to ensure we are focused on their needs. We consulted widely through our employer-led Board, employer associations and regional forums, and directly with companies. It is this process which determines how resources are prioritised and allocated to meet the industry's skills and training needs. This collective approach has led to an industry that is recognised as a world leader.

I was particularly pleased to see in 2013 that so many of our clients and contractors signed up to our new Skills & Training Charter. The continued success of the industry requires all engineering construction companies and stakeholders to work together and to put the skills agenda at the top of their agenda. The charter is one way to do that.



Another highlight of the year was hearing that our 2013 Customer Satisfaction Index increased to 82.5 per cent; the highest it has been since the survey began in 2006. The survey involved telephone interviews with levy payers across our regions. Each year the survey tells us what is important to our customers and how well we are performing. Most importantly, feedback from the survey enables us to make improvements and to identify industry priorities.

The portability of skills has become increasingly important to the industry. One way which the ECITB has striven to meet this need has been by developing new training standards. Launched in August 2013, training standards have revolutionised technical training across the industry, offering greater flexibility in the way courses are developed and delivered. New qualifications are available and in 2013 we saw a Level 2 Certificate in Lifting and Positioning Loads, a Level 4 Diploma in High Integrity Welding and a Level 4 Diploma in Managing Welding Operations launched.

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Skills shortages are also being met by cross training from other industries and the services. We were the first membership organisation to offer Talent Retention Solution (TRS) as a benefit to all employers in-scope to the ECITB. The aim through TRS is to provide our employers with access to a talented pool of skilled engineers; helping to reduce employer recruitment and training costs.

Project Management has become increasingly important to the engineering construction industry, with an estimated £250bn expected to be invested in new projects over the next decade. Recognising that project management and project controls are at the very heart of the industry, in October 2013 we organised and held a Project Management Conference in Aberdeen. The fully subscribed conference brought together the offshore community to share good practice and address the key issues around effective project management.



Our annual Training & Development Awards have gone from strength to strength. It is easy to see why our industry is a world leader when you see the wealth of talent working in the industry. All of the winners and finalists are fantastic examples of the people and employers found in the engineering construction industry. I would particularly like to thank all the sponsors of the awards. Without their commitment and support, it wouldn't be possible to run this initiative.

Throughout 2013 we worked in close collaboration with employer associations such as the OCA, the ECIA and BCECA. We are a key member of the Nuclear Energy Skills Alliance and are working with OPITO and other oil and gas organisations on vital manpower forecasting for the sector.

The year saw us attend key industry events including Offshore Europe, the NIA Nuclear Congress and the Renewable UK Annual Conference. At all of them we raised the profile of the industry and ensured the priorities and concerns of the engineering construction industry were represented.

We have continued to liaise with the government and have supported two successful Employer Ownership of Skills bids. We are also supporting and leading bids in Round 2.

Our schools engagement programme has continued apace with the launch of a new careers website. We also ran two 'ECITB Engineering Experience' courses in conjunction with the Smallpeice Trust and as in previous years, our schools roadshow was a huge success. We attended Big Bang, The Skills Show and many other careers and skills events held in schools and halls up and down the country. Altogether we estimate we introduced the world of engineering construction to over 250,000 young people in 2013.



In July 2013, the Department for Business, Innovation and Skills (BIS) announced its Triennial Review of the industry training boards, including the ECITB. The Cabinet Office has identified two principal aims for Triennial Reviews:-

- To provide robust challenge to the continuing need for individual Non Departmental Public Bodies (NDPB's) – both their functions and their form (Stage 1); and
- Where it is agreed that a particular body should remain as an NDPB, to review the control and governance arrangements in place to ensure that the public body is complying with recognised principles of good corporate governance (Stage 2).

Stage 1 of the review process has included a consultation exercise between BIS and industry employers and other stakeholders. The ECITB has made full submissions to the review team concerning the industry's skills and training needs, the organisation and its performance, achievements and plans. It is anticipated that the review will be concluded in the summer of 2014.

I can assure you we are working hard to ensure 2014 is every bit as successful as 2013. For the Board and directors of the ECITB the goal for 2014 is clear. It is to do everything in their power to ensure the UK engineering construction workforce is equipped with the right people with the right skills, to ensure the future of the industry.

David M Edwards

Chief Executive

The ECITB's MISSION

Securing engineering construction skills, now and for the future.

We will do this by delivering continually improving employer engagement, quality of advice, stakeholder engagement and training delivery.

Our approach is centred on delivering value, enhancing the industry's and our reputation and ensuring effective collaboration to increase efficiency.

Safety will underpin everything we do and we will link our occupational standards, training programmes and qualifications into an industry wide responsible competence framework.

The ECITB's Five Core Processes

Employer engagement

To strengthen the forums, increase dialogue and increase responsiveness.

Identification of skills needs and priorities

To ensure we continue to keep pace with changing skill requirements and allocate resources to the greatest needs.

Stakeholder and provider engagement

To build a larger, more focused provider network, delivering quality assured programmes at all levels.
To work with new and existing partners and funding agencies to build common solutions and simplify the skills delivery system.

Delivery of services

To ensure that we and our network deliver what is required, when it is required, to the right (high) standards and to drive growth in apprenticeships and all programmes.

Evaluation and improvement

To ensure that we innovate to reduce costs, simplify and drive efficiency.

The ECITB's charitable activities

The ECITB is a registered charity in England (Registered Charity No. 264506) whose charitable activities are in the four main areas set out below. Together these activities 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 in 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 across the industry.

Apprentices & Careers	<p>Aimed at encouraging young people to seek and gain access to 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.</p> <p>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.</p>
Skills & Technical programmes	<p>The ECITB provides 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.</p>
Management & Professional programmes	<p>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.</p>
Awards & Qualifications	<p>In this area, the ECITB's principal activities are:-</p> <ul style="list-style-type: none">• Awarding Body - assessing, verifying and awarding National and Scottish VQs.• Accrediting and quality assuring training and assessment providers.• Assuring Competence in Engineering Construction (ACE).• Client Contractor National Safety Group (CCNSG) Safety Passport Scheme.• Development of training products and services, including National Occupational Standards, which contribute to the competence of individuals.

Objectives, Achievements and the Future

The table below shows the 2013 planned delivery objectives and achievements, and the future targets for 2014 in each of the main areas of charitable activity.

The results show a strong performance overall, with some areas well ahead of target. Plans for 2014 continue to be based on current estimates for demand from employers and established trends from previous years.

Although, charitable expenditure for the year fell short of that budgeted, this was largely due to timing issues. Progress milestones were not achieved in 2013 in respect of some learners, particularly apprentices. This meant that grant payments in particular have been deferred to 2014 and beyond. However, this does not alter the fact that in 2013 the ECITB continued to support more learners in total than in previous years, and more than originally planned.

Achievements	2012 Actual	2013 Original Target	2013 Actual	% of target Achieved	2014 Objective
Apprenticeship starts	849	623	759	122%	622
Skills & Technical training outcomes	15,703	14,178	21,031	144%	28,232
Management & Professional training outcomes	4,860	14,453	8,019	55%	14,660
Regional Discretionary Grant learners	7,163	2,148	3,803	177%	4,061
Awards & Qualifications issued	4,852	4,000	4,280	107%	3,700
Sub total	33,427	35,402	37,892	107%	51,275
CCNSG Safety Passports issued	40,291	42,000	44,790	107%	42,500
IHSP Safety Passports issued	0	38,000	8,802	23%	12,100
Other International training outcomes	0	3,500	474	14%	1,570
Total	73,718	118,902	91,958	77%	107,445

Demand for Apprenticeship training was higher than expected, maintaining the view that employers' confidence is still rising. Not all of the apprentices recruited in 2013 were financially supported (see below) by the ECITB, as some employers opted to receive training support in other areas. Anticipated demand in 2014 for a wide range of training support, and budgetary constraints will mean that the planned intake of apprentices will be similar to that in 2013.

Demand for Skills & Technical training exceeded that anticipated. Some of this was due to employers seeking support in this area rather than for Management & Professional training. Significantly, demand for offshore-specific training and approved courses were well ahead of planned activities for this sector.

Demand for Management & Professional programmes was lower than planned, but as mentioned above this was largely due to a shift in anticipated employer demand from this area of activity, particularly by large nuclear employers.

Regional Discretionary Grant (RDG) is allocated across all regions for use by employers to assist with additional training and skills required for their workforces. A number of programmes which in previous years had been supported through RDG have been transferred into the ECITB's main portfolio of training support (for example, Compex training). This resulted in a reduction in the RDG budget at the beginning of 2013. Despite this, there was still a significant increase in the numbers of learners supported by RDG, when compared with the 2013 target. More programmes supported through RDG, such as Plant Operations, have been placed in the ECITB's main portfolio of support in 2014, and so the learner target has been reduced accordingly.

Awards & Qualifications, which includes issued ACE cards, exceeded the planned numbers. It is predicted that the ECITB will deliver a similar number of Vocational Qualifications in 2014.

The ECITB's regional model, which distributes operational staff across geographical regions, continues to improve the ECITB's engagement with employers. Engagement in 2013 has increased significantly. In

2013, the ECITB provided financial support for training to over 200 of the 221 levy payers, and out of 120 non-levy payers, 60 were financially supported by the ECITB. This shows that the collective levy is supporting the industry across the full spectrum of employers.

Apprentices and Careers

During the year, the ECITB's Marketing and Communications function developed a highly successful Apprenticeship recruitment campaign, which resulted in over 3,000 applicants for approximately 600 places. In addition, the ECITB, in association with a theatre group, delivered its successful schools liaison programme or "schools' roadshow," entitled "Be Part of Engineering Construction" to 172 schools. In total, 205 performances were seen by over 26,000 students. The feedback was excellent, with all 172 schools wanting to book a similar event again in 2014, and with 92% of the teachers rating the content as very good, and 73% rating the educational content as excellent.

Additionally, there were over 40 local schools events and fairs which were visited by the ECITB's regional staff promoting careers in the engineering construction industry. The ECITB continued to support skills events such as Skills London, World Skills at the NEC, The Graduate Fair in Derby and several other regionally based skills events.

In total, all ECITB careers events reached over 250,000 students and people, promoting the industry to a wide ranging audience.



A new careers' website was launched in March, and by the end of the year had achieved over 7,000 hits. In addition, the ECITB's Career Progression Route Map was updated and formatted for use with mobile phones and tablets.

In 2013 the industry subscribed to the Talent Retention Solution programme on behalf of all in-scope employers. This is an industry-led jobs and vacancy "board" on the internet, which is managed by a consortium of employers and employer membership organisations across the Advanced Manufacturing and Engineering sectors. The ECITB are at the forefront of this programme and in the early stages of the ECITB's involvement, there were over 50 in-scope employers registered, with over 74 users able to post vacancies and view individual applicants on the system. Access to the system is free of charge for in-scope employers. The system has been adapted to meet the specific requirements of employers in the nuclear sector, and it is envisaged that in 2014 there will be additional functionality specifically designed for offshore employers (in connection with non-core temporary workers). Further opportunities include using the system for apprentice recruitment so that details of unsuccessful applicants are retained on the system for consideration by the wider engineering industry.

The ECITB continues to work closely with employers and providers to ensure the quality of apprenticeship programmes which are available. The recruitment of apprentices is managed and the provision of training services are quality assured to secure the supply of craft, technician, design and project control personnel for the future.

The ECITB's Research & Development team actively supports the Apprenticeship team in the development and accreditation of new apprenticeship frameworks, and in 2013 worked with a major employer in defining the scope for a new Construction Manager apprenticeship. The team also worked on a number of feasibility studies relating to new Higher Apprenticeship Programmes and a nuclear-specific programme.

In 2013, the Government announced significant changes on how apprenticeships will be delivered and funded in the future. These announcements aligned with many of the conclusions reached in the course of the ECITB's review of apprenticeships in 2012. The implementation of the government's plans will largely support industry needs. In 2014, ECITB will work closely with employers and the government to ensure the engineering construction industry receives the best possible support for its apprenticeship programmes.

In 2013, the ECITB supported 2,710 apprentices. These comprise apprentices in the course of completing ECITB apprenticeship frameworks, and other apprentices on different frameworks employed by in-scope employers and which attracted grant support from the ECITB. This figure includes 759 such apprentices recruited during the year. 140 of these apprentices were recruited by in-scope nuclear employers, who are being trained for careers in the nuclear sector and its supply chain. The ECITB has agreed to provide grant funding to employers in respect of 575 of the apprentices recruited in 2013. It should be noted that a higher proportion of recruits than before are pursuing Design & Draughting or Project Control frameworks than craft or technician frameworks.

One of the main recommendations of the ECITB's 2012 apprentice review was to reduce the costs involved in the apprenticeship process. This remains a priority in 2014, and the ECITB is looking to introduce changes in existing arrangements, which could see up to £500,000 being saved, thereby increasing the number of learners which could attract financial support.

'EESL currently has 22 apprentices involved in ECITB apprentice programmes for multiple disciplines including welding, fabricating, pipefitting and mechanical. The programmes provide a very good foundation in technical, theoretical and safety knowledge in order for our apprentices to progress as skilled tradesman. In an ever changing environment, EESL strives to deliver the highest standards in manufacturing and labour skills. The ECITB programmes have helped our apprentices progress through the company and not only become excellent tradesman, but also project engineers and supervisors who have valuable craft experience and industry knowledge to help achieve our required standards.'

Galvin Doherty – Logistics/HR, Enterprise Engineering Services Ltd

Apprenticeship Achievements in 2013

Apprentice Awards

Petrofac's (Offshore Region) Rory Gregor (Senior Structural Designer) won the Apprentice Champion award at Scotland's Modern Apprenticeship Awards 2013, which recognised his commitment, enthusiasm and ability. This highlighted the benefits of the Modern Apprenticeship programmes to others.

Babcock International's (South East & East Region) Jeremy Hall, an apprentice at Dungeness B Power Station, won the National Apprentice of the Year Award at the 2013 Engineering Construction Industry Training & Development Awards. Jeremy, who recently completed an apprenticeship in Mechanical Maintenance, prevailed over 250 apprentices who were eligible for the award to become Regional Apprentice of the Year, South East & East. He then went on to be nominated for the National Apprentice of the Year Award.

Apprentice Company Awards

Jacobs (North East Region) was included in the top 100 employers in the UK for apprentices. Jacobs was also the winner of the National Apprentice Service North East Macro Employer of the year 2013.

BIS Outreach Event

The Engineering Design and Procurement Forum held an event to promote the ECITB's apprenticeship framework and the benefit it provides for the industry.

Looking ahead, the ECITB plans to recruit just over 620 apprentices in 2014, and will provide their employers with financial support. However, this falls short of the number required to meet the industry's predicted demand for individuals possessing the competence and skills for the future. Nevertheless, the ECITB will continue to look for opportunities to increase the return on levy investment, and to seek better value for money.

Skills & Technical

The ECITB's flexible support for the development industry-specific and technical skills for both existing personnel and new entrants, provides an effective way to improve performance in the workplace. Courses are practical, cost-effective, and can bring immediate benefits.

In 2013, the ECITB introduced the new Provider Course Approval Scheme (PCAS). This allows providers more flexibility to submit programmes for approval by the ECITB. To be approved, providers must demonstrate the courses meet the relevant training standards. The result is that employers can choose from more providers and be assured that their needs will be met.

Courses which were approved in 2013 include:-

- Lifting and Position Loads
- Re-Skill Rigger
- Medium Risk Confined Space Course
- On-Site Pipe Cutting and Pipe End Weld Preparation
- On-Site Pipe Joint Face Machining - Basic
- Instrument Re-Engineer Programme

There is demand for further provider course approvals in early 2014.

Building on the success of 2012, in 2013 there was a significant increase in the number of approved courses with over 1,700 learners attending Mechanical Joint Integrity (MJl), Small Bore Tubing (SBT) and Appointed Persons Moving Loads training courses.

The biggest increase in uptake in Skills & Technical training was in the Offshore region. The region experienced significant growth in offshore-specific Skills & Technical training, with Rigger Assessment, E-Learning training and the increased use of Compex. This increase in training demand confirms the high demand for skilled people in the sector, particularly in the areas of MJl and SBT as endeavours continue to reduce hydrocarbon release. Also, Technical training saw a significant increase during 2013 in the, Yorkshire and Humberside and Midlands regions.

The requirement for Technical Tests also showed varying degrees of success across the regions. There was demand for technical testing mainly relating to MJl and SBT activities. However, on average this demand was lower than anticipated.

There was a continued demand for CAD training, though surprisingly, demand across the Engineering, Design and Procurement forum of employers was slightly lower than expected. However, this was partially offset by higher demand in the South East and East, Yorkshire and Humberside and North East regions.

'We at Doosan Babcock believe with a passion in cultivating our people. The ECITB courses delivered by our apprentice and adult learner programmes are a major part of fulfilling this belief. To see young men and woman start out on this journey and just a few years later see the growth each one has achieved is something quite special. The ECITB continues to develop qualifications that meet our investment needs in regards to our people. The wide range of qualifications gives us the scope to offer development opportunities to all levels of staff in our business and many of our senior managers have started their career by following an ECITB course. Seeing our people grow and fulfil their potential is one of the main reasons I love my work.'

Paul Savage - Technical Welding Coordinator, Doosan Babcock

A significant amount of work was undertaken by the Research and Development function in support of the Skills & Technical programmes in 2013.

The writing of Training Standards for the main engineering construction disciplines, which commenced in 2012 was completed, and a further 8 sets of Standards were written for supporting and higher level disciplines. These standards formed the framework for the new Provider Course Approval Scheme, which was developed and launched in 2013.

The new Introduction to Estimating course was reviewed following industry feedback. The revised programme will be launched in 2014. The Plant Layout and Design course was also reviewed, to align it with the requirements of the Design and Draughting National Occupational Standards and Qualification. The revised programme is due to be launched in 2014.

Management & Professional

ECITB Management & Professional programmes are designed to meet the diverse and developing needs of the engineering construction industry. The options are many and varied with key programmes to develop supervisors and project managers, and support to progress people through their professional development. In 2013, over 8,000 learner places were delivered and supported by the ECITB across this spectrum of training. This was lower than the target as much of the planned support was for nuclear employers, who chose instead to utilise more Skills & Technical based programmes.

The new supervisory framework was developed during 2013 and is ready for implementation in 2014. This will provide learners with options for accreditation against ILM and CMI frameworks provide industry with a clearly defined supervisory career pathway and refresh this vitally important programme.

“Jacobs LES Limited has been using the ECITB SMTD course for training and developing our supervisors and management team for a long while. We have or are putting through SMTD over 90 of our staff. We find the SMTD course a valuable asset to our company. So much so we have introduced the course to some of our clients and they have shown a great interest in the course.

We have achieved over 20 silver cards to date and we expect all our candidates to achieve their silver cards in 2014. Jacobs LES Limited are very satisfied with this course.”

Paul Egan, Wyer, Jacobs LES

Trainees pursuing Project Management programmes were higher than in 2012, and demand was particularly strong in the Offshore, North East and North West regions.

The ECITB ACTIVE Project Management Cup competitions proved as popular as ever with employers from 6 regions participating in both events. There is a continued high demand for this programme in 2014. January's programme was over-subscribed, and an ACTIVE programme will be run in Dundee for the Offshore sector in March.



2013 Active Cup Winners – Air Products

Activity in the areas of Graduate Development and Continuing Professional Development varied across the regions. Surprisingly, employers' demand for CPD for Engineers' grant support fell behind the planned levels in the Engineering Design and Procurement forum. However, demand was strong in the North East region. Graduate training was, by and large, in line with the planned level.

Workplace safety is a cornerstone to successful engineering projects and through the ECITB, significant numbers of industry personnel are trained and tested to the standards set by the Client Contractor National Safety Group (CCNSG). Such individuals receive CCNSG Safety Passports. Passport issues were higher in 2013 than in 2012 and were ahead of the planned number for 2013.

The Safety Passport is subject to renewal every 3 years. Several employers have expressed a strong preference to renew the Safety Passport through a test-only option following a more robust test. Significant consultation with industry on this issue occurred during 2013 to establish the criteria to deliver a test-only option for the Safety Passport. There are alternative options and these will be considered and resolved in 2014.

Also developed in 2013 was the new CCSNG Leading a Team Safely course, which replaces the old CCSNG Supervisor course. The initial courses have been very well received and a number of new providers have come forward for approval to deliver this course.

Awards and Qualifications

The ECITB is a recognised and regulated awarding organisation and maintained this status in 2013 through assuring the regulatory organisations, Ofqual and SQA, that it was continuing to meet their requirements.

A further three qualifications were accredited in High Integrity Welding, Welding Supervision and Moving Loads. This brought the total number of ECITB qualifications available to the industry to 66, of which 44 form part of the Qualifications and Credit Framework (QCF), and 22 form part of the Scottish Credit and Qualifications Framework (SCQF).

In 2013, Ofqual requested that all awarding organisations consider whether infrequently used qualifications should be removed from the Register of Accredited Qualifications. The ECITB reviewed a number of such qualifications in its portfolio, and consulted with the industry on Tray Fitting (Columns and Towers), Metal Decking and a number of Project Control disciplines. The conclusion was that both the Tray Fitting and Metal Decking qualifications should be given a further 12 months' approval to establish if the numbers would rise. However, it was agreed that a number of the Project Control qualifications should be withdrawn, and those that continued should be revised to ensure that all disciplines were covered. This will involve a mandatory and optional unit qualification structure. This work should be completed by the summer of 2014.

In preparation for a complete review of all Units of Assessment and qualifications in 2014, a revision of all of the National Occupational Standards (NOS), which started in 2012, was completed in 2013. This involved a number of industry workshops to ensure that the NOS continued to reflect industry requirements in each discipline.

Five new centres were approved in 2013 for the delivery of vocational qualifications and the awarding organisation worked with one major global company to give recognition for their competence system, meeting the evidence requirements for a number of ECITB qualifications. This has reduced the amount of assessment needed by removing duplicate processes.

There was a successful trial of the re-structured Provider Approval and Monitoring (PAM) team and the integration with the awarding organisation. The PAM auditors will work much more closely with the awarding organisation's External Verifiers in 2014, monitoring both training and vocational qualification providers and resulting in fewer audit visits to centres.

To ensure that this is managed and controlled properly, a re-structuring of the Development and Quality Directorate was investigated, and new arrangements will be implemented in 2014.

Planned activities in 2014 relating to Awards and Qualifications include:-

- Carry out a complete review of the Vocational Qualifications and Units of Assessment taking into account any changes implemented as a result of the Whitehead Review of Adult Vocational Qualifications.

- Redevelop the Project Control suite of qualifications and revise the Introduction to Project Control course based on new Training Standards.
- Develop and launch the schools' curriculum material based on the Introduction to the Energy Industry Vocational Qualification at level 2.
- Pilot and launch the new Supervisor Development Programme including the new Charge-hand course and revised SMTD modules and Advanced Supervisor programme.
- Develop a new robust and rigorous multiple choice question bank and associated case studies for use with the CCNSG national and renewal courses, and the assessment only route to the Safety Passport.
- Develop further Training Standards to complement those already written.
- Carry out feasibility studies into the need for Higher Apprenticeships in Project Control, Design and Draughting and Instrumentation and Control.

Commercial/international activities

2013 was a year for consolidating and building on the work that had been completed in 2012 in the development of the ECITB's commercial activities in the UK and internationally.

Commercial income is derived from three activities:-

- Licence income (213 Approved Training Providers (ATPs) in the UK, 12 Internationally)
- Delegate registration income for the usage of ECITB training and qualifications (54,685 learners completed ECITB approved training for which income was derived in the UK, internationally 9,276 learners completed ECITB Approved training courses).
- Consultancy income

UK activities are still centred on the sale of CCNSG Safety Passports, which saw moderate growth during the year.

Demand for the ECITB's Technical Training courses and Technical Tests saw significant growth in 2013 when compared to 2012, with most of this growth attributable to the use of the ECITB's Approved MJI and SBT Technical Training and Technical Tests.

Supervisory Management Training (SMTD) numbers further decreased in 2013, a worrying trend given the importance of supervision to successful projects and the government's reports, which have highlighted the importance of this issue.

International commercial activities increased in 2013 in all but one area (learner registrations). Consultancy income increased significantly during the year, along with the number of licensed training providers. Overall, the increase in activities and the strong expression of interest in the ECITB's services are encouraging. However, the comparatively low number of learner registrations is of concern, and this will continue to be addressed in 2014.

In addition to the growth in business activity in 2013, the main focus within the international team has been to create the foundations for growth and sustainability. In 2013 the following work was undertaken:-

- Development of the ECITB's International Competence in Engineering Construction (ICE) scheme and its approval by the ECITB's Awards and Qualification Committee.
- Development of the ECITB's Environmental Awareness Course.
- Development of the ECITB's International Health and Safety Passport (IHSP) Renewal courses.
- Graduation of 40 Level 2 ECITB International Apprentices in the UAE.
- Commencement of the implementation of the ECITB's International Apprenticeship scheme in Bahrain.

Development opportunities have been identified within Bahrain, the UAE, Oman, Trinidad and Tobago, Malaysia, and Kuwait. Many of these opportunities have arisen through the ECITB's collaboration with in-scope employers.

In 2014, it is expected that the new ECITB Technical Training Standards will start to generate more licence income and candidate certification income, especially in the area of MJI/SBT. To date, most of the MJI and

SBT training and testing has taken place in the Upstream Oil and Gas sector, where such training is often mandated. The commercial team in the UK will be looking to introduce these products into other areas of the engineering construction industry.

In 2014, it is planned to achieve moderate growth in UK commercial activities and income across all areas of activity. Internationally, the plan in 2014 is to build upon the success of 2013 with further modest increases in consultancy activities and income. Such activities represent a low risk approach to the development of the ECITB's business, and enable the international team to acquire invaluable information and experience needed to improve its understanding of the international markets and further develop the ECITB's training products and services. Income from licensed training providers is planned to rise through the appointment of new approved training providers. This will also increase learner numbers. New training products were developed in 2013 for the international market and will be introduced in 2014 (the ECITB's International Apprenticeship and the associated "ICE" qualifications).

FINANCIAL REPORT

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

Under section 8 (1) of the Industrial Training Act 1982, the 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:-

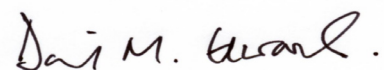
- Observe the accounts direction issued by the Secretary of State for Business, Innovation and Skills, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable 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.



A P Collinson
Chairman of the Trustees
1 May 2014



D M Edwards
Chief Executive Officer
1 May 2014

Results for the year

A Summary Statement of Financial Activities for the period 1 January 2013 to 31 December 2013 (with comparative information for 2012) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

	2013 £'000	2012 £'000
<i>Incoming resources</i>		
Levy	26,083	24,943
Non levy income	2,953	2,638
Total incoming resources	29,036	27,581

<i>Expenditure</i>		
Investment Management Costs and Bad Debt Provision	1,797	1,038
Charitable activities (including Levy Collection costs)	28,348	29,102
Governance costs	160	147
Total outgoing resources before other gains and losses	30,305	30,287

Net incoming/(outgoing) resources before other gains and losses	(1,269)	(2,706)
Gain/(Loss) on revaluation of fixed assets	113	13
Gain/(Loss) on investment assets	(297)	120
Net Movement in Funds Surplus/(Deficit)	(1,453)	(2,573)

<i>Reconciliation of funds</i>		
Total funds brought forward at 1 January	17,506	20,079
Total funds carried forward at 31 December	16,053	17,506

<i>Balance Sheet</i>		
Fixed assets		
Tangible assets	1,193	1,144
Investments	13,711	14,320
	14,904	15,464

Current assets	5,571	6,638
Creditors	(4,422)	(4,596)
Net current assets	1,149	2,042

Total assets less current liabilities	16,053	17,506
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<i>Fund</i>		
Unrestricted Fund	16,053	17,506

Commentary on the financial results

Statement of financial activities for year-ended 31 December 2013

Actual results compared with budget

In 2013 the ECITB budgeted to achieve a deficit of £4.604m in view of the high anticipated industry demand for training services and support. The actual deficit was £1.453m.

Overall, net income (i.e. income less bad debt provisions) and gains (£27.10m) were approximately £770k lower than budgeted (£27.87m). The shortfalls in some areas were partially offset by better than budgeted results in others. The main points are:

- Net levy income (i.e. gross levy less levy bad debts) was £342k lower than that budgeted, which represents a variance of 1.3%. The variance is because at the time the 2013 budget was completed estimates of some 2013 levy receipts had to be made. This was due to the failure by some employers to submit information concerning labour payments made during the 2011/2012 base period. Thus, at the time the budget was prepared, it was not possible to predict levy receipts with absolute certainty. However, the variance constitutes less than 2% of the actual net levy for the year.
- The main discrepancy between actual and budgeted income related to the poor performance of the ECITB's investment portfolio during the year. The 2013 budget was based on the performance achieved in 2012. However, it was not anticipated that investment yields would fall to such low levels, or that they would remain at such low levels throughout the year. These conditions depressed both investment income and the value of investments.
- An unrealised fixed asset gain on the ECITB's freehold property and buildings arose during the year, amounting to £113k. The ECITB does not make budgetary provision relating to movements in the value of fixed property, in view of the difficulties and unreliability in predicting commercial property market indices, and the immaterial financial impact that such year-end adjustments would be likely to have.

Although the industry continued its gradual economic recovery during the year, charitable expenditure (£28.35m) was approximately £4.13m, or approximately 12%, lower than budgeted (£32.48m). The main areas of charitable expenditure where there were variances between actual and budgeted expenditure were as follows:

- Grant expenditure in respect of apprenticeships, and the high integrity welding project approved by the Board during the year, failed to reach budgeted levels by approximately £2m and £1m respectively. The shortfall between actual and budgeted results reflects the slower than anticipated rates of learners' progress in these areas. It is anticipated that these shortfalls in expenditure in 2013 will be incurred in future financial periods, and particularly in 2014, as and when the relevant training milestones are achieved. Provision has been made for this expenditure in the 2014 budget.
- Charitable expenditure on Management & Professional training grants and Awards & Qualifications grants also did not achieve budgeted levels by approximately £680k. This was more than offset by expenditure on Skills & Technical training grants, which exceeded budget by approximately £1.14m. Such variances between actual and budgeted expenditure reflect shifts in the nature of employers' demand for training support, particularly amongst nuclear sector employers. However, the net overspend in grants in these areas when compared to budget was largely offset by lower than planned costs in the Commercial, Development & Quality and Finance & Legal directorates, where costs collectively were approximately £430k below budget.

However, notwithstanding the overall shortfall in actual training grant expenditure compared with budgeted expenditure, training grant expenditure amounted to £18.78m (2012 - £19.64m), indicating that engagement in training by employers nevertheless remained strong in 2013.

Incoming resources

Levy income in 2013 amounted to £26.08m (2012 - £24.94m). The levy income represents the gross levy assessed during the year together with adjustments in respect of previous levies raised. A provision for levy bad debts has been reported separately as a cost of generating funds.

Virtually all of the 2013 levy income related, and was calculated by reference to, the payments made to industry workers during the base period 6 April 2011 to 5 April 2012. 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 2013 at 1.5% on payments made in respect of site workers, and 0.18% on payments made in respect of all other workers. The levy exemption levels also remained unchanged in 2013 for both site-based and other workers. Employers were exempt from paying site levy if payments made in respect of site-based workers were less than £275,000 during the 2011/12 base period. Employers were exempt from paying a levy in respect of all other workers if payments made in respect of all other workers during the same period were less than £1m.

Gross levy income in 2013 was 4.5% higher (an increase of £1.14m) than in 2012. This is mainly because total declared and estimated wage and labour costs in the industry's leviable establishments grew during the 2011/12 base period by approximately 11% (to approximately £3.68m), when compared with 2010/11. However, the overall number of declared and estimated site and off site workers declared to be working in such establishments remained static, at about 82,000 workers. The mix of the total workforce changed between the base periods. The number of declared and estimated site workers fell by 10% (to approximately 39,000), while the number of off site workers increased by 17% (to approximately 42,000). The upshot of these factors was that site levy increased by 3% to approximately £22.3m, and off site levy increased by 17% to approximately £3.78m.

It should be noted that an appeal was lodged by Stork Technical Services (RBG) Limited against the levy assessment relating to its establishment in respect of the 2011/12 base period, amounting to £1.65m. This income has been recorded in the 2013 accounts. However, a full bad debt charge has been made (see below). In 2012 the employer also appealed the assessment in respect of the 2010/11 base period.

Other incoming resources amounted to £2.95m (2012 – £2.64m), and mainly comprised investment income and income from sales and sponsorships.

Investment income (from quoted investments and cash deposits) was lower than in the previous year and amounted to £488k (2012 - £650k). This reflected the reduced level of investments held during the year and investment performance, which continued to be poor as a consequence of ongoing low investment yields. It is anticipated that yields are likely to remain low into the foreseeable future as central banks show little inclination to increase interest rates. The depressed nature of the bond markets in 2013 meant that losses on investment assets amounting to £297k were incurred in the year (2012 - £120k gain).

The only public funds received during the year related to the ECITB's participation in the National Occupational Standards Qualifications Project in England. This amounted to £36k (2012 - £20k).

Overall, income from sales and sponsorships grew by 25% in 2013 to £2.427m (2012 - £1.948m). The largest source of income continued to be CCNSG safety training, which was 20% higher than in 2012. This was largely because in 2012 income was depressed due to refunds to training providers as part of the introduction of a new system of training certification. Income from the licensing of the ECITB's Supervisory Management and Training Development Programmes and Project Management Short Courses fell by 10% during the year, although there was growth in this area with overseas customers.

Income from the provision of consultancy services to overseas clients (training providers) grew by 68% in 2013 (£417k), as a consequence of securing new consultancy contracts and clients during the year.

During the year the ECITB commenced a project involving employers and trade unions relating to the development of schools curriculum material. This was funded by the employers and trade unions involved, which contributed £40k towards the project. The ECITB ran an inaugural project management conference in the Offshore Region, which raised £48k in income.

Provider Accreditation and Monitoring Audit Fees fell during the year to £112k (2012 - £155k) largely due to two factors. The number of audit visits reduced, in order to improve the efficiency of the ECITB's auditing service. Whenever possible, several programme audits are now undertaken during the course of single visits. However, despite these changes, the number of audits undertaken fell short of the planned level. This resulted in the issue of refunds of audit fees to some providers.

The use of the ECITB's Technical Tests by training providers and industry employers has continued to show strong growth. Income virtually doubled in 2013 to £260k (2012 - £132k), particularly in the UK.

Expenditure

The bad debts charge in 2013 amounted to £1.75m (2012 - £983k). An explanation of the variance between the provisions for the two years is as follows:-

- The 2012 provision (£983k) principally related to levy bad debts. The provision was made following an appeal lodged by Stork Technical Services (RBG) Limited against the levy assessment relating to the 2010/11 base period (£1.314m). The provision for the year was reduced by the reversal of levy bad debt provisions amounting to £354k in respect of other appeals lodged by another appellant relating to earlier base periods.
- In 2013, Stork Technical Services (RBG) Limited appealed against the levy assessment for £1.649m relating to the 2011/12 base period. A full bad debt provision was made in accordance with the ECITB's normal accounting policy, regardless of the likelihood of the ECITB's success in the appeal. A decision by the Employment Tribunal relating to the 2010/11 and 2011/12 appeals is unlikely to be made until late 2014, at the earliest. The 2013 bad debt provision also includes bad debts in respect of other levy and trade debtors amounting to £102k. This bad debt largely relates to debtors whose debts exceed six months in age or which have entered into insolvency.

Expenditure on charitable activities in 2013 was £28.35m, which was £754k lower than in 2012 (£29.1m). This represents a reduction of 3%, when compared with 2012. The main reasons for this are explained below:-

- Expenditure relating to apprenticeships was 4.5% lower in 2013 than in 2012, largely due to lower grant expenditure. As mentioned above, such expenditure failed to reach budgeted levels of expenditure in 2013 due to the slower than anticipated rates of progress in the completion of learners' programmes. However, such shortfalls are anticipated to be incurred in future financial periods.
- Expenditure was 9% lower in the Management & Professional and Awards & Qualifications areas of charitable activity, when compared with 2012. However, Skills & Technical expenditure exceeded 2012 levels by 5.5%. These variations largely reflect employers' actual demand for training support in 2013, which overall shifted towards Skills & Technical training. However, overall charitable expenditure in these three areas was only 1% lower in 2013 than in 2012.
- As explained in the 2012 Trustees' Report, in 2012 settlement agreements were agreed with Sellafield Limited, Magnox Limited, Magnox South Limited and Dounreay Site Restoration Limited (the "SLC's") relating to appealed levies in respect of the 2010/11 base period. The agreements made provision for the payment of training grant to the SLC's equivalent to levies due from them in 2012 (£5.583m), provided that satisfactory evidence of actual training activity was produced. This occurred, and corresponding grant expenditure relating to the SLC's was recorded. However, in 2013 engagement with the SLC's occurred on the same basis as with other in-scope employers. It transpired that training grants claimed and awarded to the SLC's were £1.282m lower in 2013 than in 2012.

Although actual charitable expenditure was marginally lower than that in 2012, as mentioned above, engagement in training by employers nevertheless remained strong in 2013. During the year, grant and direct costs in relation to main areas of charitable activity (excluding levy collection costs) was 4% lower in 2013 (£25.4m) than in 2012 (£26.4m), notwithstanding the unanticipated delays in the progress of some training programmes, such as apprenticeships.

The existing use value of the property at the year-end is £957k, which represents an increase in the value of the property of £77k. After adjustment to the cumulative depreciation relating to the building, a recognised gain of £113k has been recorded in the accounts.

Balance Sheet at 31 December 2013

Assets

Tangible assets marginally increased in value to £1.193m (2012 - £1.144m). This largely comprises the recognised revaluation gain relating to the freehold property.

At the year-end fixed and current investments amounted to £17.53m (2012 - £19.53m), which represents a reduction in the investment portfolio value of £2m, or 9% over the course of the year. This reflects the draw down from reserves required to fund the deficit for the year (£1.45m), the losses incurred on investment assets (£297k), and the level of investments encashed to fund payments in the immediate future.

Debtors at the end of both 2012 and 2013 largely comprised levy and trade debtors, prepayments and accrued income. As mentioned above, there is a significant levy debtor, which appealed levy assessed in 2013. Full provision for the debt has been made. Overall, at the year-end net debtors stood at £606k, compared with £846k at 31 December 2012.

At the year-end cash at bank was £568k higher than at the 2012 year-end, because investments were encashed prior to the end of year in order to fund the anticipated high level of cash outgoings (largely training grants) at the beginning of January 2014.

Creditors

Year-end creditors amounted to £4.422m (2012 - £4.596m). These largely comprised grant creditors and accruals (2013 - £4.263m, 2012 - £3.998m).

The funds of the charity

The year-end balance sheet shows total charity funds of £16.053m (2012 - £17.506m).

Reserves Policy

The value of reserves (defined as the unrestricted fund) at 31 December 2013 was £16.053m.

The ECITB retains reserves required to cover the costs of completing training programmes and meeting staff redundancy costs in the event that the ECITB ceases to operate.

The Reserves Policy is reviewed to cater for the future financial commitments arising principally from apprenticeship, degree and other longer-term programmes. This is because such programmes carry forward significant financial commitments into future periods. The Reserves Policy is reviewed by the Management Board and the Audit Committee to ensure that adequate reserves are held to meet such requirements over the ensuing five-year period. Its conclusions and recommendations are reported to the Main Board, which confirms the Reserves Policy. In 2013, the Audit Committee and Management Board concluded that the average minimum reserves required over the five-year period were in the region of £9m.

Investment policy and performance

The ECITB is required by section 17(5) Industrial Training Act 1982 to invest money in accordance with guidelines approved by the Secretary of State for the Department for Business Innovation and Skills (BIS). The investment guidelines appear in the Financial Memorandum issued by Secretary of State, and in *Managing Public Money*, issued by HM Treasury. These broadly permit investment in a range of high quality interest bearing instruments. Investment in equities is not permitted. The management of investments is contracted to Schroder & Company, which is required to operate within the guidelines.

During 2013, BIS approved variations to the investment guidelines to enable investment in a wider range of "investment grade" bonds. The purpose of the variations was to improve investment performance, while not excessively increasing ECITB's exposure to additional risk. Although the revised guidelines now permit a wider range of bonds to be considered for investment, the risk associated with the current investment policy is still low, as all investments must be "investment grade" and many are guaranteed by the government. Investment in equities is still not permitted.

It is believed that yields are likely to remain low into the foreseeable future. However, there are now signs of bond market rehabilitation, and the revised investment guidelines now offer the opportunity gradually to switch investments into shorter duration corporate bonds (which are likely to yield more than government gilts) as and when the appropriate opportunities arise. However, even if such opportunities are identified, it

is not envisaged that the current investment mix will alter significantly in 2014, especially as none of the investments currently held by the ECITB will mature during the year. However, in the longer term, if and when yields increase, then longer duration bonds will be considered.

Investment performance is measured against a benchmark, namely the FTSE UK Government Bond Fixed 1-5 Year Index. In the period from 14th September 2004 (when Schroder took over the portfolio) to 31st December 2013, the performance of the long-term portfolio, after the deduction of management fees, was 51.1% compared to the benchmark 45.2%, giving an annual portfolio return of 0.4% (benchmark return - 0.6%) for the year to 31st December 2013.

During the year, the Audit Committee transferred responsibility to the Management Board for the period review of the ECITB's investments, and the performance of the investment manager. This last occurred in January 2013, and the Management Board undertakes this exercise twice a year. 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 (many investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions.

Auditors

The ECITB's external auditor is the Comptroller and Auditor General who is appointed under Section 2 of the Industrial Training Act 1982. The cost of the audit for 2013 was £47k (2012 - £35k). The explanation for the 34% increase in the fee is attributable to the NAO's policy of full cost recovery, and the increased levels of financial activities and transactions which have to be audited.

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.

REMUNERATION REPORT

Unaudited information

Staff appointments

Most 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 contracts of employment of senior managers may be terminated on three months' notice.

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, or maternity absence, or in circumstances where additional human resources are required to fulfil 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) under the terms of a voluntary agreement. The union represents employees on a collective basis on specified matters. The ECITB periodically meets with representatives of the union to discuss matters such as the annual basic salary review, holidays, sick pay and pensions.

Staff sickness absence

The ECITB monitors levels of staff sickness absence. In 2013, the sickness absence rate was 2.5% (2013 - 3.3%), equivalent to 5.6 working days per head (2012 - 7.5 working days). This compares with a 2011 public sector average absence rate (as published by the ONS Labour Force Survey) of 2.6%, and a 2011 private sector average of 1.6% (this is latest data available).

Audited information

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 and Board Secretary, the Director of Regional Operations, the Director of Development & Quality, and Director of International Operations and Commercial).

The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The exceptions are a notice period of three months (six months' notice for the Chief Executive) rather than one month, and the entitlement to private medical insurance. They are entitled to membership of the ITB Pension Funds, which is a contributory final salary scheme. No members of the Executive Team are employed on fixed term contracts.

At its meetings held in 2013 the Management Board reviewed the salaries and performance of the Chief Executive and Executive Team, drawing on its extensive knowledge of business affairs and taking account of comparable remuneration packages within the industry.

During the year, Mr A Brown, an existing member of staff, joined the Executive Team in the position of Director of Regional Operations following a reorganisation in the ECITB's directorates (see the Governance Statement).

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.

2013				2012				Date of appointment to position
Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Total Salary £'000	Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Total Salary £'000	
D M Edwards, Chief Executive								
125-130	2,800	1	125-130	115-120	7,000	1	120-125	01.07.99
A M Featherstone, Director of International Operations and Commercial								
105-110	7,700	0	115-120	105-110	7,200	1	110-115	11.07.05
P C Hill, Director of Finance & Board Secretary								
90-95	700	1	90-95	85-90	600	1	85-90	15.05.06
N Spencer, Director of Development & Quality								
85-90	700	1	85-90	80-85	600	1	85-90	01.11.03
A Brown, Director of Regional Operations								
75-80	1,000	0	75-80	N/A	N/A	N/A	N/A	01.04.13

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.

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 senior managers.

ECITB is required to disclose the relationship between the remuneration of its highest-paid director and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in ECITB in the financial year 2013 was £125,000-£130,000 (2012 - £120,000-£125,000). This was 3.8 times (2012 - 3.6 times) the median remuneration of the workforce, which was £34,000 (2012 - £34,140). In 2013 no employees received remuneration in excess of the highest-paid director (2012 - none). Total remuneration ranged from £5,000 to £130,000 (2012 - £5,000-£125,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Senior staff pension entitlements

Name	Real increase in pension at age 60 (£'000)	Total accrued pension at age 60 (£'000)	CETV at 31.12.12 (£'000)	CETV at 31.12.13 (£'000)	Employer funded real increase in CETV (£'000)
D M Edwards	0 – 2.5	30-35	423	466	24
A M Featherstone	0 – 2.5	10-15	112	129	10
P C Hill	0 – 2.5	10-15	79	94	8
N Spencer	0 – 2.5	15-20	192	216	14
A Brown	0 – 2.5	5-10	18	22	1

The table above shows how the pension/benefits (expressed in terms of accrued pension) of senior staff in ITB Pension Plans increased during the course of the year. The accrued pension is the annual pension payable from the scheme when the member reaches his/her normal retirement age (65 years).

Trustees' costs

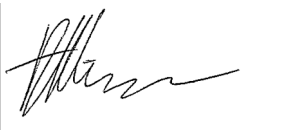
In accordance with his appointment by the Secretary of State for Business, Innovation and Skills, the Chairman of the Board is entitled to remuneration. During the year the Chairman, Mr A Collinson, received £23,460.

Two independent trustee non-executive directors, Mr J Gammage and Miss S Watson, have been paid in accordance with The Charity Commission's agreement. In 2013, collectively they received remuneration amounting to £23,000 (2012 - £15,000).

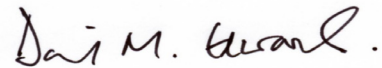
In 2013, 24 trustees (2012 – 19) incurred travel, accommodation and subsistence expenses, which were reimbursed by the ECITB. In 2013, these expenses amounted to £27,337 (2012 - £28,728).

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

Appendix B of this report contains a list of current trustees and former trustees who held office in 2013.



A P Collinson
Chairman of the Trustees
1 May 2014



D M Edwards
Chief Executive Officer
1 May 2014

GOVERNANCE STATEMENT

Scope of Responsibility

As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of the Engineering Construction Industry Training Board's (ECITB) policies, aims and objectives, whilst safeguarding the funds and assets for which the Accounting Officer is responsible, in accordance with the responsibilities assigned to him in *Managing Public Money*. This means that the funds and assets are properly accounted for, and are used efficiently, effectively and economically.

The purpose of the Governance Statement

The Governance Statement facilitates a clear understanding of the dynamics of the organisation's activities and its control structure. It supplements the financial information in the accounts by explaining how the organisation's governance structure directs and reviews plans and performance. The statement shows how the ECITB applies the principles of good governance and reviews the effectiveness of these arrangements.

Governance Framework of the Organisation

The ECITB is a statutory body (an Industrial Training Board (ITB)) 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 Board and the engineering construction industry. Details of the powers and responsibilities of the ECITB, as well as the restrictions placed on it, are described in the Act. The ECITB is a Non-Departmental Public Body, and reports to its government sponsor body, the Department for Business, Innovation and Skills (BIS).

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 meeting 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 established for exclusively charitable purposes and is a registered charity in England and Wales. It also undertakes its 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 operated by industry employers to ensure 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 2014 (2014 No. 791), which was made on 20 March 2014 and came into force on 21 March 2014.

The Board is responsible for establishing and monitoring appropriate policies to fulfil the objectives of the ECITB as an ITB. The Accounting Officer is responsible for managing the implementation of agreed policies and is accountable to the Board.

How ECITB is governed and decisions are made

Board and Committees

The members of the ECITB's Board and its committees as at 1 May 2014 are set out in Appendix D.

The Board of Trustees (the Board)

The ECITB is directed by an employer-led Board, largely comprising unpaid volunteers. Its composition reflects the main stakeholders in the engineering construction industry. In accordance with the Act, trustees are appointed by the Secretary of State for BIS following public appointment processes. These meet the requirements of the Office of the Commissioner for Public Appointments (OCPA). Nominations of candidates from the industry's employers are sought from the principal trade associations and from employers which participate in the ECITB's Regional Forums. Nominations for employee representatives are made by the Trades Unions. Appointments are generally for either three or five years, and second terms are possible. Members who are not ex-officio appointees cannot serve for more than ten years in one capacity. For example, this means that it would be possible for member to serve for up to ten years as member nominated by a trade association, and then for a further term as a Regional Chair elected by

employers which participate in the relevant regional forum. Obviously, all appointments must satisfy the requirements of OCPA and the Secretary of State.

Following the appointment of a trustee, he or she is inducted by the ECITB and provided with a comprehensive package of documents, which define the nature of:-

- The statutory constitution of the organisation.
- The ECITB's governance arrangements and decision-making processes.
- The ECITB's management and organisational structure.
- The work of the ECITB.
- The trustee's role and responsibilities.

This information provided by the ECITB reinforces and expands upon the information and guidance provided by BIS in its terms of a trustee's appointment. The induction session with a new trustee confirms the main points described above, explains the current issues, opportunities and risks affecting the ECITB, and addresses any questions raised by the trustee.

Trustees receive ongoing support from the Secretariat. This includes periodic training sessions on the role and responsibilities of trustees. 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.

In addition to serving on the Board, some will also take part in policy making as members of the Management Board and other sub-committees of the Board, as shown in below. The Audit Committee, the Qualifications and Awards Committee and the Client Contractor National Safety Group are also supported by other volunteers from the industry.

During 2013 six Board members' terms of office came to an end as a result of retirement or resignation, and five were appointed (although one of these individuals was appointed to and resigned from the Board during the year). Details of who served as trustees during the year are shown in Appendix B, and the Register of Trustees' Interests appears in Appendix C.

The Board is responsible for ensuring that the ECITB performs within its remit and all applicable legislation. It is responsible for setting the organisation's strategy and policies, overseeing the implementation of business and financial plans, and delegating operational decision-making to the Executive Team. The Board members are also the trustees of the ECITB as a registered charity. As such they have an over-riding obligation to place the interests of the beneficiaries above all others, including their own. They also 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 relevant Secretaries of State (in England and Wales and Scotland). These all require endorsement and recommendation from the Board.

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| <ul style="list-style-type: none">• 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. | <ul style="list-style-type: none">• 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. |
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The Board also has the following responsibilities:-

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| <ul style="list-style-type: none">• 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.• Approving the Annual Report and Accounts. | <ul style="list-style-type: none">• Receiving reports from the Management Board on progress against the Business Plan.• 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. |
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The Board 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 and approve strategy and plans for the ensuing year, and one will be after the year-end to review and approve the Trustees' Report (including the audited accounts). Average attendance at the Board across the year was 72.9% (2012 – 77.3%), and each member's attendance statistic is set out in Appendix B.

The Management Board

The Board has delegated powers to the Management Board which are set out in sections 5, 10 and 14(5) of the Act. The Board has also delegated responsibility to the Management Board to form the Remuneration Committee. The Chairman is the Chairman of the Board.

The Management Board's responsibilities are to:-

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| <ul style="list-style-type: none">• 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 applied.• 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.• Propose to the Board the annual Budget and Business Plan.• Agree the powers delegated to staff. | <ul style="list-style-type: none">• 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.• Appoint bankers and agree appropriate mandates.• Report to the Board at agreed intervals on performance. |
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The Management Board normally meets four times per year, although additional meetings may be arranged if necessary. The identities of the members of the Management Board are shown in Appendix D.

The Audit Committee

The 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 receives reports from the Board's internal and external auditors as appropriate.

The Board appoints members of the Committee. The aim is to have between five and seven members of whom 2 or 3 are not members of the Board. The Chairman of the Committee is a Board member who is not the Chairman of the Board. Representatives of internal and external auditors are invited to attend all

meetings. These representatives will have free and confidential access to the Chairman of the Audit Committee if required at each meeting or during the year as appropriate.

The main duties of the Committee are to:-

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| <ul style="list-style-type: none"> • 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 and relevant guidance. • 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. | <ul style="list-style-type: none"> • 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. |
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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 to consider the internal audit programme for the year. The identities of the members of the Committee are shown in Appendix D.

The Qualifications and Awards Committee

The Board appoints members of the Qualifications and Awards Committee. The aim is to have nine members. The Chairman is a Board member who is not the Chairman of the Board.

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

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| <ul style="list-style-type: none"> • Oversee the development all new ECITB qualifications and awards, approve them and their implementation. • Ensure that all qualifications and awards given or recognised by the ECITB are supported with appropriate approval and assessment processes. • Oversee the development, maintenance and implementation of the ECITB's Qualification Strategy and Action Plan • 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. | <ul style="list-style-type: none"> • Advise on procedures for assessment and verification of qualifications and awards, and ensure value for money in their delivery. • Review audit reports from the relevant 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 Board's procedures for ensuring the independence and integrity of its systems for awarding qualifications. |
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The Committee normally meets four times per year, although additional meetings may be arranged if necessary. The identities of the members of the Committee are shown in Appendix D.

The Client Contractor National Safety Group (CCNSG)

The CCNSG is a committee of the Board, and is responsible for the management of the CCNSG's nationally accredited Safety Passport Scheme. The CCNSG reports to the ECITB's Management Board on its activities. The ECITB manages the operation of the Scheme, and the CCNSG retains responsibility for the strategic direction of the Scheme, including the determination of the Scheme's content, the standards for approval of training providers, the future development of the Scheme and its integrity assurance.

A representative from the Health and Safety Executive is invited to attend meetings of the CCNSG as an observer.

The CCNSG comprises:-

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| <ul style="list-style-type: none">• Up to four members from client organisations (including at least one from a Capital Projects Client's Group member).• Up to four members from engineering construction employers.• Up to two members from Trades Unions. | <ul style="list-style-type: none">• Two members from CCNSG training provider organisations (which are actively providing CCNSG training).• A member representing the ECITB. |
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The Chairman is selected by members of the Group, which meets quarterly, or more/less frequently as determined by its members. The identities of the members of the Committee are shown in Appendix D.

Regions

The ECITB operates a regional structure to ensure that 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 regional forums and two national forums, which ensure that the varying requirements of the industry across Great Britain are represented and taken into account in the formulation of policy and the delivery of services. The regions either represent geographical areas, or specific and significant industry sectors, which have particular requirements.

Regional Forums	National Forums
<ul style="list-style-type: none">• Midlands• North East England• North West England• Scotland• South East and East England• Wales and South West England• Yorkshire and Humberside	<ul style="list-style-type: none">• Engineering, Design and Procurement Forum• Offshore Industry Forum

Each Forum comprises industry employers and normally meets three times a year under the chairmanship of a Board member (the Regional Chair). Through this structure the ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitments and training needs.

To address specific and local issues and needs, in some regions the ECITB has established sub-forums. For example, in the Midlands region a Water Industry Forum has been established. Due to their size, in the Scottish and South East & East regions meetings are held in different locations. This enables attendance by as many employers as possible. The ECITB also works closely with other key regional stakeholders, such as industry clients, skills development or enterprise partnerships, local government agencies, funding bodies, local authorities, training providers, trades unions and the workforce.

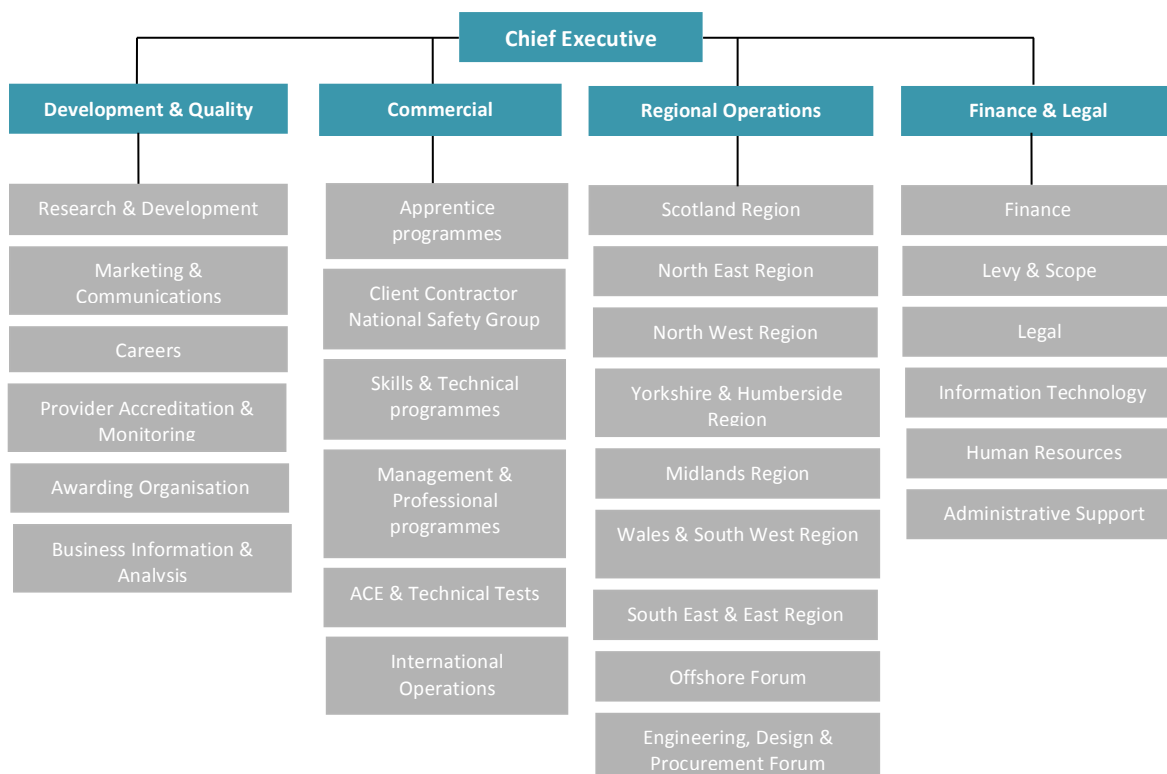
Under the ECITB's regional governance model, forums are empowered and operate as "business units" charged with supporting the achievement of the agreed strategic goals by the development and delivery of regional operating plans. In broad terms, the Chair of the Regional or National Forum leads the forum on behalf of the Board. This ensures effective governance and the creation of a regional operating plan (targets and outcomes) and financial budget. He/she will also provide support and guidance to ECITB staff in the region, who in turn are accountable for the delivery of the agreed regional operating plan.

The regional plan will include training targets, the mix and methods required to meet its needs. 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.

ECITB management and staff

The Board and the Management Board 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 leads the organisation's executive management team ("the Executive Team"). In 2013, this comprised the Chief Executive, the Director of Finance and Board Secretary, the Director of Regional Operations, the Director of Development and Quality, and the Director of International Operations and Commercial ("the directors"). The ECITB's management and organisation structure was divided into the following directorates with the principal responsibilities shown below.



Each director was 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.

Overview of Board Effectiveness and Performance

In order for the Board members to be able to fulfil their joint and several responsibilities as trustees of the charity a range of processes are implemented.

To be effective, the Board must be fully informed of the work of the ECITB across all areas of activity. This is achieved by transparency of discussion papers presented to the Board and all of its committees, and of the minutes of such meetings. Reports are also made by committee chairmen. This affords Board members the opportunity to both monitor and contribute to all matters under consideration by the committees. In addition, as Chief Executive I provide reports and require other staff to prepare reports to the Board covering progress against objectives, management of risks and financial control.

A key enabling feature is that the principal operating units and major areas of activity either have a governing board committee, or has a nominated Board member with responsibilities for oversight and leadership. For example, in each region employers elect its Chairman, who is then appointed to the Board. The Regional Chairman provides a direct link to the Board and represents the needs of the employers to the Board and vice versa. These measures support a culture of openness and transparency that in turn ensures that the Board is able to make decisions with a high degree of clarity and consensus on the issues at hand.

Each year in July the Board conducts a thorough appraisal of the issues at hand, risks, opportunities threats arising from external drivers and performance of the organisation. This involves a series of meetings and discussion sessions over the course of a day, and this is a key milestone in the annual review and planning

cycle. It ensures the ECITB remains focussed and responsive to employer needs and market changes. The occasion also allows the Board to reflect informally on its effectiveness.

In September 2013 members of the Board were invited to complete the National Audit Office's Board Evaluation Questionnaire. The questionnaire was designed to assist the Board to identify areas which require further improvement and/or change. The responses to the questionnaire were subsequently circulated amongst members and discussed at the seminar mentioned below. Responses to the questionnaire were received from 17 members, and the broad conclusion was that the Board was effective and meeting its responsibilities in terms of the areas covered by the questionnaire. The responses from the questionnaire confirmed that the management information and papers provided to the Board during the year were regular and of high quality. This provided the Board with a good understanding of the performance of the organisation and the risks that it faced.

In October 2013, members of the Board attended a seminar on the role and responsibilities of charitable trustees. The course was specifically designed to address the ECITB's circumstances, and was led by a barrister specialising in the law in this area. A similar seminar was run in 2012, and it is the Board's intention to organise annual training events for members in order to assist them in the effective discharge of their role and responsibilities.

In 2013 the ECITB's systems relating to Board effectiveness were the subject of the internal auditor's attention in the 2013 Internal Audit Plan. In the audit the internal auditor concluded that substantial levels of assurance could be drawn in terms of both the design of and compliance with the systems of internal control in this area.

The Board has a well developed approach to balancing strategic priorities, for example the recruitment and training of apprentices, with support for employers' immediate skills and competence needs. This is through both bottom-up and top-down debate, that leads to shifts in budget allocation and grant adjustments, all set within affordable limits.

The focus in 2014 and beyond will be to sustain the existing processes of dialogue and transparency, bring more stakeholder engagement into the regions and forums, strengthen the quality arrangements around training providers and drive the international activity. Also, the review process relating to the role and effectiveness of the Board and its committees will be strengthened. It will continue to include an annual self-evaluation by the Board and its committees, which will concentrate of their strengths and areas for development.

Conflicts of Interest

As a Non-Departmental Public Body the ECITB is accountable to BIS and must abide by the principles of regularity and propriety. It must ensure that its activities are not affected adversely by any conflicts of interest. I consider that the ECITB's transparency of decision-making and scrutiny by stakeholders through the governance arrangements described in this statement enables it to achieve this objective. The Register of Interests of the Trustees is set out in Appendix C to this report.

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 31 December 2013 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 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 management policy has been established and communicated to all relevant parties. Risk management is embedded within normal operations, including system development risk analysis and progress reports for major projects. Responsibility for risk management is assigned to the directors and their respective managers, to reflect actual responsibilities. 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. 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.

As Accounting Officer and Chief Executive, I report to the Management Board 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. This includes consideration of changes since the last review. The minutes of the meetings of the Management Board and the Audit Committee indicate to me that they are content that appropriate consideration is being given to risk management.

Key Issues and Risks

The key issues and associated risks discussed by the Board during the year related to:-

- The ability of the ECITB to offer financial support for the high levels of training activities undertaken by industry employers, particularly relating to apprentices.
- The levy arrangements to apply between 2016 and 2018 inclusive.
- The Triennial Review of the industry training boards by BIS and the consequences for the industry and the organisation in the event that the Review concluded that the ECITB is either no longer needed, or should be substantially reformed.
- The position adopted by some employers in the wind power sector that the scope of the 1991 Board Order ought not to extend to the sector.

In order to mitigate the risks arising from these issues, the following approach and steps have been adopted:-

- The risk of failing to meet employer demand for training support: The ECITB engages with employers in order to agree training plans and commitments, and closely controls its regional training budgets to ensure that resources are used equitably and efficiently.
- Future levy arrangements: A plan of widespread consultation with industry employers was agreed for implementation in early 2014 on all issues associated with the future training needs of the industry and how this should be funded.
- The Triennial Review: Full submissions have been made to the Review team concerning the industry's skills and training needs, the organisation and its performance, achievements and plans.
- The wind power sector: The ECITB participated and continues to participate fully in the dialogue facilitated by BIS between employers in the sector and relevant skills bodies concerning the future skills requirements of the sector.

Internal audit

Deloitte & Touche Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2013. The internal auditor operates to standards and requirements defined by HM Treasury, which include the submission of an independent opinion on the adequacy and effectiveness of the system of internal control, and the provision of assurance relating to the ECITB's governance and risk management arrangements. 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.

In 2013, the internal auditor undertook audits of the ECITB's systems and controls in the following areas: budgetary control, board effectiveness, CRM data migration and employer engagement plans. In its reports, the auditor confirmed that the design of, and compliance with, the relevant systems and controls meant that the Board could derive full and substantial levels of assurance in them. Overall I consider that the outcomes of the work undertaken by the internal auditors give effective support to my statement relating to internal control set out in this statement.

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 and the Board Secretary attend meetings of the Audit Committee to assist the Committee in its review of the ECITB's management of risk, and ensure 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. This includes a review by the Committee of the full Risk Register at least once a year, and the consideration of the Accounting Officer's report at each Committee meeting relating to the significant risks in the risk register, and the risk profile of the organisation. The Committee's attendance records for 2013, and each member's attendance statistic, are set out in Appendix D.

During the year, the Audit Committee considered its effectiveness and how it assesses its effectiveness. It was noted that a review of the Committee's effectiveness has not been undertaken since 2008, when members of the Committee completed and considered the NAO's self-assessment checklist. It was agreed that the first step in considering the Committee's effectiveness was for this exercise to be repeated in 2014.

The Committee also noted two other points concerning the current composition of the Committee in this context. The first related to the independence of the Committee. Currently, the Committee largely comprises members of the Board, who are also members of the Management Board. There is only one "independent" member of the Committee. The Committee recognises that it is good practice for an Audit Committee to have the ability to consider the affairs and conduct of the organisation, and in particular the manner of its decisions, with as high a degree of independence and impartiality as possible. The second concerns the question of whether there is a sufficient level of financial and legal expertise amongst members of the Committee, bearing in mind the matters that are considered in the normal course of the Committee's business.

The Committee has concluded that for these reasons additional members should be recruited to join the Committee, who possess the relevant skills and experience and who are not Trustees of the Board. However, experience indicates that the biggest issue will be attracting suitably qualified individuals to join the Committee.

Information risk

Throughout 2013 the development of ECITB's management information systems (MIS) continued. This enabled and supported changes in business processes and organisational performance improvements. The emphasis remains to ensure data handling practices are simple, rigorous and efficient. During 2013 the migration of all legacy data into a single "CRM" database was largely completed. This process was the subject of an internal audit in November, which confirmed that the process had suitably mitigated the risks associated with the migration of data from distributed information systems. The auditor also made recommendations for ongoing data management. These were accepted and will be implemented throughout 2014.

During the last quarter of 2013, an existing member of staff was transferred to the ECITB Information Technology team. The principal role of the new member of the team is to assist the Data Manager in order to maintain the accuracy of information and the validation of existing electronic records. Web portal development and improving the services available to ECITB's Approved Training Provider network continued during 2013. The receipt of electronic data from training providers is critical to enhancing

data accuracy and reducing the inherent risks associated with manual data handling. This has also led to faster processing times and improved customer service.

Information security is of vital importance to the operation and reputation of the ECITB. Its Head of Information Technology and Business Administration is the ECITB's Senior Information Risk Owner (SIRO) and has operational responsibility for this. The recommendations of the internal auditor in 2012 in connection with ECITB's information security processes have been implemented, thereby leading to further improvements and reduction of risk in the security of the information system.

All information technology projects are currently overseen by the Audit Committee, and managed in accordance with the guidelines and standards recommended by the internal auditor. Key elements in any project remain to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure staff understand their personal responsibilities and are adequately trained in this area. In addressing the applicable minimum security requirements the ECITB ensures that there is clear transparent reporting to the SIRO and the Audit Committee.

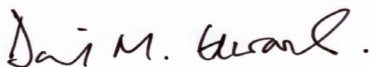
During 2013 there were no data breaches, and no disclosures or reports were submitted to the Information Commissioner.

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 systems of governance and internal control. My review of the effectiveness of these systems 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.

My review of the effectiveness of the governance and internal control system shows that in 2013 the ECITB had adequate and effective risk management, control and governance processes to manage the achievement of its objectives.



D M Edwards
Chief Executive and Accounting Officer

1 May 2014

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year ended 31 December 2013 under the Industrial Training Act 1982. The financial statements 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 ECITB, Accounting Officer and auditor

As explained more fully in the Statement of the ECITB's and the Accounting Officer's Responsibilities, the ECITB and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2013 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State for Business, Innovation and Skills

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State for Business, Innovation and Skills; and
- the information given in the Financial Report, Annex A – Principal Office and Other Offices, Charity Registration Details and Policies, Annex B – Trustees and Annex E – Chief Executive Officer and Senior Staff for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

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

6th June 2014

FINANCIAL ACCOUNTS

FOR THE YEAR-ENDED 31 DECEMBER 2013

Statement of financial activities for the year-ended 31 December 2013 including an Income and Expenditure Account and Statement of Total Recognised Gains and Losses

Incoming resources

		2013 £'000	2012 £'000
Incoming resources from generated funds			
Investment income	<i>Note 4</i>	488	650
Incoming resources from charitable activities			
Non-levy income	- Apprentices and Careers	11	6
	- Skills & Technical Programmes	496	257
	- Management & Professional Programmes	184	178
	- Awards & Qualifications	1,772	1,527
Total non-levy income	<i>Note 3</i>	2,463	1,968
Levy		26,083	24,943
Other incoming resources from charitable activities		2	20
Total incoming resources		29,036	27,581

Resources expended

Cost of generating funds			
Investment management costs		47	55
Bad debt charge	<i>Note 5</i>	1,750	983
Charitable activities			
Apprentices and Careers		10,800	11,299
Skills & Technical Programmes		9,098	8,614
Management & Professional Programmes		5,606	6,126
Awards & Qualifications		2,477	2,689
Levy collection costs		367	374
Total costs of charitable activities	<i>Note 6</i>	28,348	29,102
Governance costs	<i>Note 13</i>	160	147
Total resources expended		30,305	30,287

Net incoming/(outgoing) resources for the year before other recognised gains and losses		(1,269)	(2,706)
Other recognised gains and losses			
Gains/(losses) on revaluation of fixed assets for own use	<i>Note 14</i>	113	13
Gains/(losses) on investment assets	<i>Note 16</i>	(297)	120
Net movement in funds		(1,453)	(2,573)

Reconciliation of funds

Total funds brought forward at 1 January		17,506	20,079
Total funds carried forward at 31 December	<i>Note 22</i>	16,053	17,506

The statement of financial activities reflects all gains and losses during the year to 31 December 2013. All activities are continuing. All funds are unrestricted.

The notes on pages 40 to 60 form part of these financial statements.

Balance Sheet as at 31 December 2013

		2013 £'000		2012 £'000	
Fixed assets					
Tangible assets	<i>Note 14</i>		1,193		1,144
Investments	<i>Note 16</i>		13,711		14,320
Total fixed assets			14,904		15,464

Current assets					
Debtors	<i>Note 17</i>	606		846	
Investments	<i>Note 16</i>	3,817		5,212	
Cash at bank and in hand	<i>Note 24</i>	1,148		580	
Total current assets		5,571		6,638	

Creditors					
Amounts falling due within one year	<i>Note 18</i>	(4,422)		(4,596)	

Net current assets			1,149		2,042
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Total assets less current liabilities			16,053		17,506
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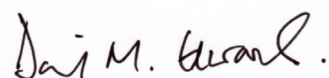
The Funds of the Charity					
Unrestricted fund	<i>Note 22</i>		16,053		17,506

Total Charity Funds			16,053		17,506
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The accounts were approved by the Board on 1 May 2014.



A P Collinson
Chairman of the Trustees
1 May 2014



D M Edwards
Chief Executive Officer
1 May 2014

The notes on pages 40 to 60 form part of these financial statements.

Cash flow statement for the year-ended 31 December 2013

		2013 £'000	2012 £'000
Net cash inflow (outflow) from operating activities	<i>Note 23</i>	(1,562)	(2,551)
Returns on investments and servicing of finance			
Investment income		492	408
Gains/(losses) on investment assets		(104)	(6)
Capital expenditure			
Purchase of tangible fixed assets	<i>Note 14</i>	(112)	(112)
Proceeds from disposal of tangible fixed assets		42	27
Management of liquid resources			
Purchase of investments	<i>Note 16</i>	(23,646)	(67,081)
Disposal of investments		25,458	67,820
Increase/(decrease) in cash	<i>Note 24</i>	568	(1,495)

Reconciliation of changes in cash to net fund	2013 £'000	2012 £'000
Balance at 1 January	580	2,075
Change in cash	568	(1,495)
Balance at 31 December	1,148	580

The notes on pages 40 to 60 form part of these financial statements.

Notes forming part of the Accounts for the year-ended 31 December 2013

1 Accounting policies

Going concern

These accounts are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the ECITB to continue as a going concern.

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 the ECITB prepares accounts in accordance with Treasury guidance. Consequently, these accounts follow the principles in the 2012/13 Government Reporting Manual (FReM) 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

The ECITB received grants from the UK Commission for Employment & Skills in respect of the National Occupational Standards Qualifications Project.

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. In these circumstances, such sums are recorded as grant creditors.

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.

No grant in aid was received in 2013.

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 5 April 2012 was raised in January 2013 and recognised as income in 2013.

Other categories of income

Whenever possible, other categories of income (for example, sales, sponsorship and investment income) are recognised on an accruals basis. However, when income is unknown or receipt is uncertain it is recognised on a receipts basis. Non-levy income is allocated amongst charitable activities on the same basis as direct costs (see Notes 3 & 8).

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:-

- Apprentices and Careers
- Skills & Technical programmes
- Management & Professional programmes
- Awards & Qualifications
- Levy collection costs

Grants payable

Grants are recognised as liabilities when the relevant training milestones and or grant conditions have been achieved or met.

The ECITB only records accrued grants in respect of interim apprenticeship and Regional Discretionary Grants, when there is a high likelihood that the evidential requirements confirming these grants should be paid have been satisfied. However, no accruals are made for other grants. Such grants are only recognised when all the evidential requirements have been satisfied. At that point, such grants are recognised as grant creditors.

All grants are paid to employers when evidence of all the relevant training milestones and or grant conditions has been received. Such milestones and conditions are agreed with the employer prior to the commencement of the relevant training activity. Most grants are paid without the requirement for the employer to submit a claim. However, the ECITB requires employers to submit claims and evidence of training activity for Regional Discretionary Grants and grants relating to some training courses (for example, post graduate (or equivalent) programmes, Assessor Verifier training and some technical training courses).

Grants are recorded against charitable activities in a manner that reflects the use of the resources.

Direct and support costs

Direct costs (Note 8) have been recorded against activity cost categories on a basis consistent with the use of the resources. Direct staff costs have been allocated on the basis of staff time devoted to activity cost categories. Other direct costs have been allocated to the activity cost categories to reflect the activity in which the cost arose.

Support costs (Note 9) largely relate to the organisation's central functions. Such costs cannot be allocated to cost activities with the same degree of certainty as direct costs. The costs of the central functions are split between cost activities to reflect the allocation of direct costs to activity categories.

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. Most of the costs recorded under this head relate to internal and external audits, fees and salaries paid to Trustees, and the costs and expenses associated with meetings of the Board and its Committees (see Note 13).

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 31 December 2012 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Professional Standards (March 2012). Following the valuation, the existing use property value was recorded in the 2012 balance sheet.

In the intervening years between full external valuations the last revalued existing use value is adjusted (where material) by reference to relevant commercial property indices published by financial and professional services firms specialising in real estate services and investment management.

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.

Depreciation

Depreciation on fixed assets other than freehold land and buildings 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:-

Office furniture and equipment – 10 years
Plant and machinery:-
Training Rigs and Display Stands – 5 years
Motor Vehicles – 4 years
Tools and Equipment – 3 years
Computer equipment and IT software – 3 years

No depreciation is provided on freehold land.

Depreciation on freehold buildings is provided on the last revalued existing use value over the remaining useful life of the asset. The annual depreciation provision is calculated by dividing the latest revalued amount by the number of years of remaining useful life. Under this policy at the year-end date the remaining useful life of the buildings is 18 years.

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 charge 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 and contribution schemes. Pension contributions are charged to the statement of financial activities as incurred.

Corporation Tax

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

Value Added Tax

The ECITB is registered for VAT. However, the 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 2013, there were 372 establishments, which were wholly or mainly undertaking engineering construction activities. From this total, Industrial Training Levy was assessed in respect of 243 establishments. 129 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.

At the end of 2013 there was one levy assessment under appeal. The amount appealed was £1.649m (see Notes 5 and 17).

3 Non-levy income	2013 £'000	2012 £'000
From Government and European Union sources	36	20
From sales and sponsorships	2,427	1,948
	2,463	1,968

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

Income Stream	Government/European Sources	Charitable Activity	2013 Income £'000	2012 Income £'000
National Occupational Standards Qualifications Project	UK Commission for Employment & Skills	Awards & Qualifications	36	28
Wales & Ireland Sustainable Enterprise project (WISE)	European Social Fund	Skills & Technical	0	(8)
			36	20

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

Income Stream	Sources of Sales and Sponsorship Income	Charitable Activity	2013 Income £'000	2012 Income £'000
Apprentice Certification	UK training providers	Apprenticeships & Careers	7	5
ECI Training and Development Awards Event	UK employers	Awards & Qualifications	40	27
CCNSG licence fees and safety passport income	UK employers	Awards & Qualifications	964	800
Consultancy Services	Overseas training providers	Awards & Qualifications	208	123
		Skills & Technical	209	124
Development of schools Curriculum Material	UK employers and trade unions	Awards & Qualifications	40	0
IHSP licence fees and safety passport income	Overseas training providers	Awards & Qualifications	103	94
Project Management Conference	UK employers	Management & Professional	48	0
Provider Accreditation & Monitoring Audit Fees	UK training providers	Awards & Qualifications	112	155
SMTD and PMSC licence fees and training course income	UK training providers	Management & Professional	140	162
	Overseas training providers		14	9
Technical Test licence fees and test income	UK training providers	Skills & Technical	208	97
	Overseas training providers		52	35
VQ registration and certification	UK employers and UK training providers	Awards & Qualifications	282	317
			2,427	1,948

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

4 Investment income	2013 £'000	2012 £'000
Income from quoted investments	389	456
Income from cash deposits	99	194
	488	650

5 Bad debt charge	2013 £'000	2012 £'000
Levy Assessments under appeal	1,649	1,323
Levy bad debts due to insolvency or non-payment	102	35
Reversal of levy bad debt provisions made in previous years	(19)	(375)
Other bad debts	18	0
	1,750	983

In 2013, Stork Technical Services (RBG) Limited appealed against levy assessed in respect of the 2012/13 base period amounting to £1.649m. Full bad debt provisions were recorded in the accounts.

6 Charitable activities	Grant Funding (Note 7) £'000	Direct Costs (Note 8) £'000	Support Costs (Note 9) £'000	Total 2013 £'000	Total 2012 £'000
Apprenticeships and Careers	5,408	3,881	1,511	10,800	11,299
Skills & Technical programmes	7,846	901	351	9,098	8,614
Management & Professional programmes	4,493	801	312	5,606	6,126
Awards & Qualifications	1,034	1,039	404	2,477	2,689
Levy collection costs	0	264	103	367	374
	18,781	6,886	2,681	28,348	29,102

7 Grant funding

Of the £18.781m of grants made to employers in 2013, grants amounting to £16.718m 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.

Employer	£
Magnox Ltd	2,214,814
* Wood Group Engineering (North Sea) Ltd	2,105,149
* Doosan Power Systems Ltd	1,538,294
* AMEC Group Ltd	1,498,070
Sellafield Limited	1,427,974
* Alstom Power Ltd	1,059,403
* Petrofac Facilities Management Ltd	794,139
Dounreay Site Restoration Ltd	658,895
* Production Services Network (UK) Ltd	404,942
* Jacobs UK Limited	367,829
Siemens Transmission & Distribution Ltd	324,618
3sun Ltd	283,075
* Foster Wheeler Energy Ltd	282,862
Aker Offshore Partner Ltd	254,481
Shepley Engineers Ltd	204,924
Kellogg Brown & Root Limited	196,565
Bilfinger Industrial Services UK Ltd	194,334
Fabricom Oil, Gas and Power Ltd	191,716
Cavendish Nuclear Limited	191,212
* Jacobs LES Ltd	184,834
Cordell Group Ltd	175,735
* Interserve Industrial Services Ltd	169,629
* TEI Limited	132,293
Siemens plc	120,296
PPS Electrical Ltd	117,340
* Redhall Engineering Solutions Ltd	74,824
Stork Technical Services (RBG) Ltd	71,985

Employer	£
CB&I UK Ltd	112,612
* SSE Contracting Ltd	94,834
Boulting Group Plc	90,744
Weir Engineering Services Ltd	84,244
MII Engineering Limited	82,395
OneSubsea UK Ltd	79,800
Costain Oil, Gas & Process Ltd	70,873
WorleyParsons Europe Ltd	68,975
Main Port Engineering (1990) Ltd	68,344
Peter J Douglas Engineering Ltd	67,776
Rayfern Ltd	63,411
Intellect (UK) Ltd	58,166
* Laker Vent Engineering Ltd	56,768
Applus RTD UK Ltd	52,680
Technip E&C Ltd	51,615
CLS Offshore Ltd	51,545
Motherwell Bridge Ltd	47,923
Imtech Process Ltd	47,406
Bechtel Ltd	47,200
Fluor Ltd	46,520
Quartzelec Ltd	45,350
Vogal Group Ltd	44,500
VWS (UK) Limited	44,363
Sub Total	16,718,276
Other Grants	2,062,602
Total	18,780,878

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

It should be noted that the grant recognised as being payable to Stork Technical Services (RBG) Ltd in respect of training undertaken in 2013 has not been paid to the employer, because it has appealed the levies assessed in respect of 2010/11 and 2011/12. The grant liability is recorded in the balance sheet as a grant creditor.

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.

Staff costs have been categorised as direct costs when the staff time can be clearly and accurately allocated to one or more charitable activities. For example, regional staff are exclusively engaged in the four main charitable activities, and their time devoted to each head of activity is recorded. Similarly, Product Development staff manage projects which fall under one or other charitable head, and their costs have been allocated accordingly.

Other examples of direct costs include Training Provider costs, which have mostly been incurred in consideration of services provided by training providers in the training and assessment of apprentices. 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.

Depreciation relates to cars and equipment in the possession of staff who are clearly engaged in one or more charitable activities.

Other direct costs have been allocated to the cost categories to reflect the activity in which the cost arose.

Activity	Apprentices and Careers	Skills & Technical programmes	Management & Professional programmes	Awards & Qualifications	Levy Collection	2013 Total	2012 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ACE				8		8	20
Apprentice allowances, travel and subsistence	750					750	717
Apprentice training and assessment costs	1,347					1,347	1,663
Apprenticeship recruitment costs	286					286	278
Depreciation	42	12	9	7		70	132
ECITB Active Cup			81			81	52
External Verification				126		126	115
Legal fees incurred in levy appeals					144	144	181
Levy debt collection fees					11	11	9
Overseas training provider and consultancy costs		24		24		48	66
Product development costs	15	104	119	60		298	242
Profit & Loss on disposal of Fixed Assets	(15)	(7)	(6)	(4)	(4)	(36)	0
Programme administration costs	2	1	1			4	9
Regional premises costs	129	29	17	17		192	131
Safety Passport issue and administrative costs				100		100	102
Skills & Technical and Management & Professional programme costs		14	20			34	17
SMTD courses						0	24
Staff costs (salary, NI and pensions) (Note 10)	1,130	573	333	583	106	2,725	2,714
Staff travel & subsistence and other costs	192	141	78	88	7	506	499
Training Provider Accreditation and Monitoring	3	10	149	10		172	3
VQ programme costs				20		20	59
	3,881	901	801	1,039	264	6,886	7,033

The proportions of direct costs allocated to each charitable activity are as follows:-

Charitable Activity	2013 %	2012 %
Apprentices & Careers	56	58
Skills & Technical programmes	13	14
Management & Professional programmes	12	10
Awards & Qualifications	15	14
Levy collection costs	4	4
	100	100

These proportions have been used as the basis for allocating support costs to charitable activities (see Notes 6 and 9).

9 Support Costs

Support costs largely comprise the costs of central functions which cannot be allocated to charitable activities with the same degree of certainty as direct costs. The central functions are:-

- Central Executive
- Finance and Legal
- Human Resources
- Information Technology
- Marketing
- Research
- Head Office premises and support activities

In addition, there are various professional services and costs which have been managed by central functions.

It is not possible to allocate support staff costs to charitable activity cost categories on the basis of time devoted to such activities. Similarly, it is not possible to allocate other support costs (for example, Head Office premises costs, Information Technology, Office expenses and Depreciation) to charitable activities on a basis consistent with the charitable use of the resources. Thus, support costs have been allocated to charitable activity cost categories by adopting the same proportions reflected in the allocation of direct costs to charitable activities (see Note 8).

Activity	2013 £'000	Restated 2012 £'000
Agency costs	16	69
Depreciation	79	83
Disposal of fixed assets (Profit)/loss	(7)	(22)
Head office costs	169	150
IT and telecommunications	305	250
Legal (non-levy collection matters)	17	48
Marketing	375	500
Other personnel costs	8	5
Professional charges	152	30
Research costs	28	4
Staff costs (salary, NI and pensions)	1,265	1,066
Staff recruitment and training	151	142
Staff travel and subsistence	123	102
	2,681	2,427

10 Staff costs	2013 £'000	2012 £'000
Salaries	3,264	2,982
Social security costs	326	286
Pension costs	558	552
Termination costs	9	0
Agency costs	16	69
Other personnel costs	12	8
	4,185	3,897

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

Salaries include gross salaries; 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 2013, the maximum achievable incentive award amounted to 1% of an employee's basic salary.

Other personnel costs comprised the costs of private medical insurance (approximately £5,401), staff medical examinations, eye tests, protective clothing and other sundry costs.

Termination costs comprised the payment made under the terms of a settlement agreement between the ECITB and a former member of staff (see table below).

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Value of exit packages by cost band £'000
<£10,000	0	1	9
£10,001 - £25,000	0	0	0
£25,001 - £50,000	0	0	0
£50,001 - £100,000	0	0	0
£100,001 - £150,000	0	0	0
Total number of exit packages per type	0	1	0
Total resource cost/£'000	0	0	9

11 Staff numbers

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

	2013 Number	2012 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	0
£80,001 - £90,000	1	2
£90,001 - £100,000	1	0
£100,001 - £110,000	0	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	0
	9	6

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

	2013 Number	2012 Number
Apprenticeships & Careers, Skills & Technical Programmes, Management & Professional Programmes	45	44
Awards & Qualifications	14	13
Levy Collection	3	2
Senior Management and Corporate Support Services	23	24
	85	83

The 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 and Levy Collection (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 & Careers, Skills & Technical Programmes, and Management & Professional Programmes. 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.

The ECITB engaged one temporary member of staff in 2013 for a 3-month assignment. In 2012, the ECITB engaged one part-time temporary member of staff for three months of the year.

12 Industry Training Board Pension Funds

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

The ECITB is also a participating employer in the ITB Pension Funds' Defined Contribution pension scheme in respect of employees which commenced employment since May 2012.

ITB Pension Funds' Open Fund

The Open Fund is a defined benefit scheme. It is valued triennially by the Government Actuary's Department. The last valuation reported was at 31 March 2013, which showed that on a solvency basis the value of the assets was £808.7 million (2010 - £620.2 million) and the value of those assets represented 93% (2010 - 92%) of the benefits that had accrued to members (the technical provisions) and other liabilities.

The valuation was based on methodology and assumptions set out in a Statement of Funding Principles, which has been proposed by ITB Pension Funds Scheme, but not yet approved by all participating employers. Under scheme funding legislation, the trustees of the Scheme must decide the methodology and assumptions used for the actuarial valuation and revised the Statement of Funding Principles, as appropriate. Some changes in the actuarial assumptions and approach have been proposed, which are in the process of being considered by the participating employers in the Scheme, including the ECITB.

The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During 2013, total (employer's and employees') standard contribution rates of 19.1% for the New Section and 13.6% for the 2007 Section applied in respect of all employees who are members of the Funds. The trustees of ITB Pension Funds Scheme have proposed that total standard contribution rates of 25.4% for the New Section and 16.7% for the 2007 Section should apply with effect from 2014.

In 2011, the ECITB, along with other participating employers, agreed a deficit recovery plan with ITB Pension Funds. Under the plan the ECITB is paying additional contributions amounting to £271,000 per annum (which commenced in 2011) for a period of 7 years. The trustees of ITB Pension Funds Scheme have proposed that the ECITB makes an additional year of such contributions (i.e. until and including 2018).

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.

ITB Pension Funds' Defined Contribution Scheme

ITB Pension Funds has established a Defined Contribution pension scheme. All new employees of the ECITB are offered membership of this scheme, and not membership of the Open Fund. Both the ECITB's and the employee's standard rates of contribution are 4.5% of the employee's pensionable salary.

It is the ECITBs policy to achieve the accrual of all employees' pension benefits in respect of future service in a defined contribution scheme. Accordingly, the ECITB and other participating employers are actively pursuing discussions with the trustees of ITB Pension Funds on the matter. It is hoped that the rules of the Scheme may be changed in a manner which will enable an employer to transfer existing defined benefit section members to the ITB Pension Funds' Defined Contribution pension scheme in respect of future pension benefits' accrual, without triggering any liability for a statutory debt under section 75 of the Pensions Act 1995.

ITB Pension Funds' Closed Fund

By definition, the Closed Fund does not have any active members, and consequently no regular contributions are made by the ECITB. It is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2012, which showed the market value of the assets was £211 million (31 March 2009 - £196.7 million). For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 2.74%. It is not anticipated that any future liabilities will arise to be borne by the participating employers in respect of the Closed Fund.

Total pension costs in 2013

The pension costs incurred by ECITB in 2013 amounted to £557,909 (2012 - £551,993). This represents all contributions (normal and deficit contributions) payable by the ECITB to the ITB Pension Funds' Open Fund and the Defined Contribution Scheme.

13 Governance costs	2013 £'000	2012 £'000
Board and Committee costs	92	93
Internal audit	20	15
External audit	47	35
Other audit undertaken by External Auditor	1	1
Other	0	3
	160	147

Other audit undertaken by the External Auditor relates to information required by the Trustees of ITB Pension Funds for the purposes of the scheme's audit.

14 Tangible Fixed Assets						
	Freehold land & buildings	Plant & machinery	Computer Equipment	IT software	Furniture & equipment	Total
2013 Tangible Fixed Assets	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
1 January 2013	880	608	821	34	64	2,407
Revaluation	77	0	0	0	0	77
Additions	0	85	27	0	0	112
Disposals	0	(155)	(12)	0	0	(167)
At 31 December 2013	957	538	836	34	64	2,429
Depreciation						
1 January 2013	0	429	770	30	34	1,263
Provided	36	101	33	3	4	177
Revaluation	(36)	0	0	0	0	(36)
Disposals	0	(155)	(12)	0	(1)	(168)
At 31 December 2013	0	375	791	33	37	1,236
Net book value						
At 1 January 2013	880	179	51	4	30	1,144
At 31 December 2013	957	163	45	1	27	1,193

2012 Tangible Fixed Assets	Freehold land & buildings £'000	Plant & machinery £'000	Computer equipment £'000	IT software £'000	Furniture & equipment £'000	Total £'000
Cost or valuation						
1 January 2012	901	614	791	34	64	2,404
Revaluation	(21)	0	0	0	0	(21)
Additions	0	78	33	0	0	111
Disposals	0	(84)	(3)	0	0	(87)
At 31 December 2012	880	608	821	34	64	2,407
Depreciation						
1 January 2012	0	366	740	28	30	1,164
Provided	35	141	33	2	4	215
Revaluation	(35)	0	0	0	0	(35)
Disposals	0	(78)	(3)	0	0	(81)
At 31 December 2012	0	429	770	30	34	1,263
Net book value						
At 1 January 2012	901	248	51	6	34	1,240
At 31 December 2012	880	179	51	4	30	1,144

Land and buildings

Land and buildings comprise a freehold property in Kings Langley, Hertfordshire. The historic cost of the land and buildings is £1,300,000.

The freehold land and buildings were last valued on the basis of existing use value on 31 December 2012 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Professional Valuation Standards (March 2012). 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 2013 this indicated that office property values in the South East of England had increased in 2013 by 8.8%. Consequently, the ECITB has increased the value of the property by £77,000. After adjustment for depreciation the net book (existing use) value has been increased to £957,000. This appears as a recognised gain in the accounts (£113,000).

The existing use value of the land has been apportioned at £239,360 (2012 - £220,000). The land is not depreciated.

The cost and accumulated depreciation at 31 December 2013 includes fully depreciated assets at historical cost of £973,064 (31 December 2012 - £925,963).

Plant and Machinery

Plant and machinery largely comprises motor vehicles. In 2013, the level of motor vehicle disposals was significantly higher than in 2012, because changes in terms of employment meant that some employees accepted a car allowance instead of motor vehicle. It is anticipated that in 2014, there will be corresponding increases in staff remuneration levels which reflect the car allowance arrangements.

15 Capital commitments

There were no capital commitments at 31 December 2013 (31 December 2012 - £0).

16 Investments	2013 £'000	2012 £'000
Listed investments		
Market value at 1 January	14,320	12,215
Purchases	5,466	8,270
Sales	(5,778)	(6,285)
Net Profit / (Loss)	(297)	120
Market value at 31 December	13,711	14,320
Cash equivalent investments		
Market value at 1 January	5,212	7,929
Purchases	18,180	58,811
Sales	(19,575)	(61,528)
Market value at 31 December	3,817	5,212
Total market value at 31.12.13 confirmed by investment portfolio manager	17,528	19,532

The full investment portfolio (listed and cash) is managed by Schroder & Company, as delegated by the Trustees. Details of material investments are as follows:-

	% value of portfolio
Nationwide Building Society Bonds 23.1.15 (Var% Floating Rate Secured)	8.5%
Yorkshire Building Society Bonds 23.3.16 (Var% Floating Rate)	8.6%
Abbey National Treasury Services PLC Bonds 16.2.15 (Var% Floating Rate)	8.5%
Network Rail Infrastructure 27.11.15 (4.875%)	6.0%
Barclays Bank PLC Bonds 20.1.15 (Var% Floating Rate)	8.5%
Coventry BS 10.2.15 (0% Floating Rate)	6.5%
Barclays Bank PLC 4.4.17 (1.5% Fixed Rate)	4.2%
Transport for London 21.11.17 (1.25%)	8.3%
Lloyds Bank Plc 30.3.15 (6.625%)	2.1%
BSKYB Finance UK Plc 20.10.17 (5.75%)	2.2%
BUPA Finance PLC 4.7.16 (7.5%)	2.2%
Severn Trent Utilities Finance PLC 22.1.18 (6%)	2.2%
Coventry Building Society 19.4.18 (4.625%)	2.1%
SSE PLC 1.10.18 (5%)	2.2%
Centrica PLC 19.9.18 (7%)	2.3%
National Grid Gas PLC 7.6.17 (6%)	2.2%
Bank and cash	23.5%

The cash equivalent investments are 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.

17 Debtors	2013 £'000		2012 £'000	
Levy debtors	3,259		1,750	
Levy bad debt provision	(3,248)		(1,577)	
Total levy raised but uncollected		11		173
Non-levy debtors	397		361	
Non-levy bad debt provision	(21)		0	
Total non-levy debtors		376		361
Prepayments and accrued income		219		312
Total debtors		606		846

Balances with intra Governmental bodies	2013 £'000	2012 £'000
Central Government bodies	0	0
Local authorities	22	24
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	584	822
Total debtors	606	846

During the course of 2013 debts amounting to £76,000 (2012 - £104,923) were written off in the balance sheet. Such debts had previously been fully provided for as bad debts in prior years' accounts. However, the debts had not been written off until the ECITB had received final confirmation from the liquidators and administrator of the relevant debtors that the debts were irrecoverable. Under the terms of the ECITB's Financial Memorandum, the ECITB is required to report such matters in its annual report, and where required, the ECITB has obtained the consent of BIS to write off debts in this manner.

Bad debt provision	2013 £'000	2012 £'000
Opening bad debt provision	1,577	6,120
Levies appealed in year (Note 5)	1,649	1,323
Levy bad debts due to insolvency or non-payment (Note 5)	102	35
Reversal of bad debt provision due to payment of debt (Note 5)	(9)	(354)
Reversal of bad debt provision due to receipt of liquidator's dividend (Note 5)	(10)	(21)
Other bad debts (Note 5)	18	0
Reversal of bad debt following write-off of debt due to confirmation of irrecoverability	(27)	(105)
Reversal of bad debt due to accounting adjustment	(31)	(5,421)
Closing bad debt provision	3,269	1,577

18 Creditors – amounts falling due within one year	2013 £'000	2012 £'000
Creditors	512	2,866
Accruals	3,854	1,653
Taxation	39	43
Deferred income	17	34
Total creditors	4,422	4,596

Balances with intra Governmental bodies	2013 £'000	2012 £'000
Central Government bodies	1,114	150
Local authorities	265	123
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	3,043	4,323
Total creditors	4,422	4,596

19 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.

Due to the largely non-trading nature of its activities and the requirements of the financial framework set by BIS, the 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. The 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.

The 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		2013 £'000	2012 £'000
Investments	<i>Note 16</i>	17,528	19,532
Debtors	<i>Note 17</i>	606	846
Cash at bank	<i>Note 24</i>	1,148	580
Financial liabilities by category			
Creditors	<i>Note 18</i>	4,422	4,596

Investment risk

The 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 and Company, which adheres to these rules.

Interest rate risk

The ECITB has limited exposure to interest rate risk on its financial assets. The risk relates to interest rate fluctuations, which affect its bank accounts. Such fluctuations also affect bond market yields and consequently affect its investment portfolio.

Credit and liquidity risks

The ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (see Notes 16, 17 and 18). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). The fair value equals the carrying value. Bad and doubtful debts are provided for on an individual basis when the ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction. The bad debt charge recorded in 2013 amounted to £1,750,000 (2012 - £983,000) (see Notes 1 and 5).

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 the ECITB ceases to operate). Consequently, the ECITB is not exposed to material liquidity risks.

Foreign currency rate risk

The ECITB trades with parties based overseas (principally training providers). However in contractual arrangements with such parties, payment of the full consideration to the ECITB must be made in sterling, net of foreign withholding taxes and transactions costs.

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

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

20 Financial commitments

Financial commitments at 31 December 2013 are estimated to amount to £11.613m (2012 - £11.193m). 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.

Apprentice cohort	2013 £'000	2012 £'000
2007	3	95
2008	33	323
2009	86	670
2010	621	1,299
2011	1,300	2,638
2012	3,708	6,168
2013	5,862	0
	11,613	11,193

The commitments in respect of the pre-2010 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 2010, 2011 and 2012 cohorts have fallen following the payment of interim and final grants to employers during the year. The commitments relating to the 2013 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.

21 Operating leases and commitments

As at 31 December 2013 the ECITB had the following commitments under the terms of tenancy and licence agreements relating to its regional resource centres (offices). The ECITB occupies such premises under the terms of agreement which may be determined by either party upon the service of notice. The value of the commitment at the year-end reflects the value of the liability to pay rent and licence fees during the notice periods.

	2013 £'000	2012 £'000
Within 1 year	7	6
Between 2 to 5 years	0	0
After 5 years	0	0
	7	6

22 Unrestricted fund	2013 General reserves £'000	2013 Revaluation reserve £'000	2013 Total reserves £'000	2012 General reserves £'000	2012 Revaluation reserve £'000	2012 Total reserves £'000
Balance at 1 January	17,124	382	17,506	19,710	369	20,079
Surplus/(Deficit) for the year	(1,566)	113	(1,453)	(2,586)	13	(2,573)
Balance at 31 December	15,558	495	16,053	17,124	382	17,506

23 Reconciliation of net outgoing resources to net cash inflow from operating activities		2013 £'000	2012 £'000
Net incoming/(outgoing) resources	SOFA	(1,269)	(2,706)
Depreciation	Note 14	177	215
Investment income	SOFA	(488)	(650)
(Profit) on disposal of fixed assets		(48)	(20)
Decrease/(increase) in debtors	Note 17	240	376
(Decrease)/increase in creditors	Note 18	(174)	234
Net cash inflow/(outflow) from operating activities		(1,562)	(2,551)

24 Analysis of changes in net fund	At 01/01/13 £'000	Cashflows £'000	At 31/12/13 £'000
Cash at bank	580	568	1,148
Bank overdraft	0	0	0
	580	568	1,148

All cash at bank is held in commercial banks.

25 Contingent liabilities

There are no contingent liabilities at the balance sheet date (2012 - No contingent liabilities).

26 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.

All of the transactions were under normal terms and carried out at arm's length.

The transactions in the following table comprised the receipt of levy and income from the sale of training services. The sale of services arises from licences granted to the relevant employers by the ECITB relating to the use of training materials, and includes licence fees and the sale of CCNSG Safety Passports. The total sums involved were:-

Transactions with related employers under which funds were paid to ECITB	2013 £'000	2012 £'000
Levy paid to ECITB	11,822	8,092
Sale of training services by ECITB	127	156
	11,949	8,248

The amount owed to ECITB by related employers at the balance sheet date is £13k (2012: £17k).

The transactions in the following table comprised the payment of grants, the award of qualifications and the procurement of training and assessment services. The total sums involved were:-

Transactions with related employers under which payments or value flowed to the employers	2013 £'000	2012 £'000
Payment of grants	8,884	5,314
Purchase of training and assessment services by ECITB	25	179
	8,909	5,493

The amount owed by ECITB to related employers at the balance sheet date is £1,594k (2012: £1,650k).

The ECITB is a Non-Departmental Public Body sponsored by the Department for Business, Innovation and Skills (BIS). During the year the ECITB had transactions with The UK Commission for Employment & Skills, which is also sponsored by BIS (see Note 3).

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

During the year, no key manager, employee or other related parties has undertaken any material transactions with ECITB. The remuneration arrangements with members of the ECITB's Executive Team are set out in the Remuneration Report.

27 Post year-end events

The financial statements were authorised for issue on 6th June 2014 by the Accounting Officer.

No 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 policies

Head office and principal address

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

Other regional offices

Midlands	ECITB Resource Centre, Warwickshire College, Rugby Centre, Technology Drive, Rugby, Warwickshire, CV21 1AR
Wales & South West	ECITB Resource Centre, Office Suite G10, The Business Centre, Cardiff House, Cardiff Road, Vale of Glamorgan, CF63 2AW
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 and Humberside	ECITB Resource Centre, Humberside Client/Contractor Training Association, Kiln Lane, Stallingborough, North East Lincolnshire, DN41 8TH
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
South East and East and EDP Forum	ECITB Resource Centre, Innovation Centre Medway, Maidstone Road, Chatham, Kent, ME5 9FD

Charity registration details

Registered as a charity in England and Wales with The Charity Commission N^o 264506.

Policies

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.

Environmental policy

It is the ECITB's policy to carry out its core business of supporting the engineering construction industry in an as environmentally sound a manner as possible (within the bounds of practicability), which supports both local and national objectives in maintaining a sustainable environment. This policy is applicable to all of the ECITB's activities.

The ECITB's policy is to:-

- Effectively manage its environmental responsibilities so far as it is possible and practicable;
- Seek to recycle waste materials, through re-use within the organisation and, where this is not possible, participate in local recycling/waste management programmes with the view to reducing the volume of waste to be disposed of by the organisation, and thereby lessen its environmental impact;
- Monitor its consumption of electricity, gas and water with a view to reducing the organisation's 'carbon footprint', and thereby its impact on the local and national environment;
- Manage the travel of its staff to minimise fuel consumption and environmental impact; and
- Consider the 'carbon footprint' of its training activities to minimise their impact.

The ECITB's main activities are designed to develop skills and improve competency levels in the UK engineering construction industry. This will contribute to the ability of the industry not only to protect the environment from harm arising from its activities, but also to make significant steps towards meeting the government's low carbon strategy and objectives.

Over the next decade or more, much of the nation's power generation infrastructure will be replaced or renewed. This will have to meet the requirements of the low carbon strategy, and will embrace a variety of alternative power generation approaches, including renewables and nuclear power as well as the more conventional carbon technologies. The ECITB's training programmes and frameworks are designed to ensure that the industry's workforce at all levels and across many disciplines are able to meet the challenging environmental demands which will arise.

Social responsibility

The achievement of the highest standards of health and safety at work is the paramount concern of engineering construction industry employers and workers alike. Ensuring the achievement of this objective is embedded in all the ECITB's training programmes. In particular, the ECITB's Safety Passport Scheme is recognised across the industry as a means of demonstrating health and safety competence, and is a requirement for entry at most major installations. The ECITB regards the maintenance of safe practice by the industry's workforce as being its most important social responsibility. It seeks to meet this by ensuring that its training programmes incorporate and promote current and highest standards of safety conduct and techniques.

The ECITB has continued to support the oil and gas industry scheme "Step Change to Safety". ECITB standards in mechanical joint integrity have been adopted by the scheme and work is ongoing for small bore tubing standards.

Retraining of personnel from the armed services

The ECITB has continued to work with employers and providers to create retraining pathways into the oil and gas industry from the armed services with programmes in maintenance, instrumentation, rigging and pipefitting.

Talent Retention Solution

The ECITB has actively promoted the use of the government sponsored initiative (the Talent Retention Solution) to help find opportunities for personnel from the advanced manufacturing and engineering industries. Employers can use the web based database technology to match people with jobs, and to help them retain a highly skilled workforce, particularly in engineering skills.

Appendix B Trustees

The names of those serving as charitable trustees of the ECITB on 1 May 2014 are shown below, together with the names of those who have stepped down since 1 January 2013.

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.

Current and former trustees (2013)

Name	2013 Meeting Attendance Record	Changes during 2013
D Billington	2 of 4	
B Buchan	1 of 1	Retired June 2013
A Collinson	3 of 4	
R Dean	2 of 2	Retired August 2013
F Doyle	2 of 4	
K Ferguson	3 of 4	
M Fletcher	4 of 4	
C Forbes	2 of 4	
G Galloway	3 of 3	Appointed July 2013
J Gammage	3 of 4	
I Greenbeck	3 of 4	
M Hockey	4 of 4	
J Hornby	1 of 1	Retired June 2013
S Hoskins	4 of 4	
J Jones	0 of 4	
T Maplesden	4 of 4	
B McAulay	2 of 4	
D McNerney	3 of 4	Appointed February 2013
J Mellon	1 of 1	Retired June 2013
F Millar	2 of 3	Appointed May 2013
T Millard	2 of 4	
W Murray	3 of 4	
I Muscroft	3 of 3	Appointed July 2013
T Shelley	2 of 2	Appointed August 2013
A Smith	4 of 4	
C Smith	0 of 4	
J Stirling	3 of 4	
R Ventre	3 of 4	
S Watson	4 of 4	
M Wilkins	0 of 1	Resigned May 2013
P Whitehurst	3 of 4	
J Young	2 of 2	Resigned August 2013

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 1 May 2014 or who have stepped down since 1 January 2013) have declared the following other interests:-

Mr D Billington	Managing Director, TEI Limited Management Board Member, Engineering Construction Industry Association Council Member, Engineering Construction Industry Association Financial & General Purposes Committee Member, National Joint Council for the Engineering Construction Industry (NJC) Council Member, National Joint Council for the Engineering Construction Industry (NJC)
Mr B Buchan	Director, Operations Support, Doosan Power Systems Ltd Trustee, DPS Pension Scheme
Mr A Collinson	Director, Alstom Power Ltd Director, National Skills Academy for Power (NSAP) Director, ECIA (Insurance Services) Ltd Director, ECIA Trustees Ltd Director, Vintage Sports Car Club Ltd
Mr R Dean	Director, British Chemical Engineering Contractors Association (BCECA) Honorary Vice President of the Energy Industries Council
Ms F Doyle	Global HR Operations Manager, Harsco Corporation
Mr M Fletcher	Director of Operations Support, Doosan Power Systems Ltd Board Member, National Skills Academy for Nuclear Manufacturing Chairman, EDF Hinkley C Solidarity Workstream on Skills & Development
Miss C Forbes	Human Resources Director, Wood Group Kenny (wholly owned by Wood Group)
Mr K Ferguson	Director, Operations, Petrofac Offshore Engineering & Operations
Mr G Galloway	Group HR Manager, Diamond Power Specialty Ltd Vice Chairman, CPPD Scotland
Mr J Gamage	Managing Director, JG Industrial Consulting Ltd Operations Director, Interserve Industrial Services Ltd
Mr I Greenbeck	Executive Director, Jacobs LES Limited Director, Centre for the Assessment of Technical Competence – Humber (CATCH) – non-profit making training organisation Director, Humber Chemical Focus – non-profit making training organisation
Mr M Hockey	Managing Director, Engineering Construction Industry Association (ECIA) Member, ACE Steering Group
Mr J Hornby	Director of Construction, Jacobs E&C Ltd General Council Member, Engineering Construction Industry Association Chairman, NETA Training Chairman, Sellafield Contractors' Group Community Governor, Conyers Secondary School, Yarm Member, Sellafield Supply Chain Focus Group
Mr S Hoskins	Divisional Director, Project Management, Foster Wheeler Energy Ltd
Mr J Jones	Director, Safety Services Swansea Limited
Mr T Maplesden	Head of Project Management, Wood Group PSN Ltd Director, Wood Group Engineering (North Sea) Ltd Director, P4 Project Consulting Ltd Member of Executive Board, University of Leeds; Engineering Project Academy
Mr B McAulay	National Officer for Construction, Unite the Union
Mr D McNerney	Executive Director, Human Resources, AMEC plc Member, National Careers Council
Mr J Mellon	Industrial Relations Consultant, Interserve Industrial Services Ltd Manager, Grangemouth Contractors' NVQ Approved Centres Chairman, ACE Scottish Regional Group
Mr F Millar	CEO, C Spencer Ltd President, Engineering Construction Industry Association

Mr T Millard	Regional Director, SSE Contracting Ltd Employers' Chairman, Fawley Mechanical Joint Council
Mr W Murray	Chief Executive (Director), Offshore Contractors' Association (OCA) Company Secretary, Offshore Contractors' Association Steering Group Member, Upstream Oil & Gas Industry Technician Training Scheme
Mr I Muscroft	Human Resources Manager, Jacobs UK Ltd
Mrs T Shelley	Director, British Chemical Engineering Contractors Association (BCECA)
Mr A Smith	Managing Director, Redhall Engineering Solutions Ltd Managing Director, Redhall Jex Ltd Director, CHB-Jordan Ltd Director, ACP-Redhall Ltd General Council Member, Engineering Construction Industry Association
Mr C Smith	Asset Operations Group Manager - Opted In Plant, RWE Npower plc
Ms J Stirling	Client Project Manager, Total E&P UK Limited Board Member, Young Enterprise Scotland Steering Group Member, OPITO/ECITB Modern Apprenticeship Scheme Married to Regional Director of Wood Group Engineering
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
Miss S Watson	Non Executive Director, East Thames Group Limited Non Executive Director, East Thames Partnership Limited Non Executive Director, East Place Limited Non Executive Director, East Potential Limited Non Executive Director, East Homes Limited Non Executive Director, East Living Limited Member, Construction Industry Council Diversity Panel Associate, Constructing Equality
Mr P Whitehurst	National Officer for Construction, GMB Union Board Member, Construction Skills Certification Scheme (CSCS) for GMB Board Member, Construction Industry Joint Council (CIJC) for GMB GMB seat on National Joint Council for the Engineering Construction Industry (NJC) GMB seat on National Engineering Construction Committee (NECC) GMB Chair for National Agreement for the Engineering Construction Industry (NAECI) Stewards Forum
Mr M Wilkins	Managing Director, Doosan Lentjes UK Limited President, Engineering Construction Industry Association
Mr J Young	Vice President, Strategy & Development, SNC Lavalin UK Ltd Interim Vice President, Project Management, SNC Lavalin UK Ltd Director, OAO "VNIPIneft" Director, Luwoco B.V. Director, Caspian Projects B.V.

Appendix D

Membership of Board and Committees as at 1 May 2014

Member	* = Trustee	Main Board	Management Board	Audit Committee	Qualifications & Awards Committee	CCNSG Committee
Mr A Collinson	*	CHAIR	CHAIR	✓		
EMPLOYER REPRESENTATIVES						
Mr K Ferguson	*	✓				
Miss C Forbes	*	✓				
Mr D Billington	*	✓				
Ms F Doyle	*	✓				
Mr A Smith	*	✓				
Mr G Cole				✓		
REGIONAL CHAIRS						
Mr T Maplesden (Offshore Forum)	*	✓				
Mr G Galloway (Scotland)	*	✓				
Mr I Muscroft (North East)	*	✓				
Mr R Ventre (North West)	*	✓				
Mr I Greenbeck (Yorkshire & Humberside)	*	✓	✓			
Mr M Fletcher (Midlands)	*	✓	✓			
Mr J Jones (Wales & South West)	*	✓				
Mr T Millard (South East & East)	*	✓				
Mr S Hoskins (EDP Forum)	*	✓				
EMPLOYER ASSOCIATION REPRESENTATIVES						
Mr W Murray (OCA)	*	✓	✓	✓		
Mr M Hockey (ECIA)	*	✓	✓	✓		
Mr F Millar (ECIA)	*	✓				
Mrs T Shelley (BCECA)	*	✓				
TRADE UNION REPRESENTATIVES						
Mr P Whitehurst	*	✓				
Mr B McAulay	*	✓	✓			
CLIENT REPRESENTATIVES						
Mr C Smith	*	✓	✓			
Ms J Stirling	*	✓				
NUCLEAR INDUSTRY REPRESENTATIVE						
Mr D McNerney	*	✓				
NON-EXECUTIVE DIRECTORS						
Mr J Gammage	*	✓	✓		CHAIR	
Miss S Watson	*	✓	✓	CHAIR		
QUALIFICATIONS & AWARDS COMMITTEE						
Mr T Stone					✓	
Mr D Whitehouse					✓	
Mr M Lewis					✓	✓
Mr N Revell					✓	
Mr R Clarke					✓	✓
CLIENT CONTRACTOR NATIONAL SAFETY GROUP (CCNSG) COMMITTEE						
Mr R Ash						CHAIR
Mr K Hall						✓
Mr C Abbey						✓
Mr J Denis						✓
Mr S Nettleton						✓
Mr S Leyshon						✓
Mr G Duncan						✓
Mr A Mason						✓
Mr D Crampsie						✓
Mr M Thomas						✓

Audit Committee Attendance Records

Name	2013 Audit Committee Attendance Record
B Buchan	1 of 2
G Cole	3 of 3
A Collinson	1 of 3
M Hockey	3 of 3
W Murray	3 of 3
S Watson (Chair)	2 of 2

Appendix E

Chief Executive Officer and senior staff

The ECITB's Executive Team comprises:-

Chief Executive Officer	David Edwards	E-mail Direct Tel	DavidEdwards@ecitb.org.uk 01923 402121
Director of Finance and Board Secretary	Peter Hill	E-mail Direct Tel	PeterHill@ecitb.org.uk 01923 402124
Director of International Operations & Commercial	Tony Featherstone	E-mail Direct Tel	TonyFeatherstone@ecitb.org.uk 01923 402133
Director of Development and Quality	Nigel Spencer	E-mail Direct Tel	NigelSpencer@ecitb.org.uk 01923 402132
Director of Regional Operations	Andy Brown	E-mail Mobile	AndyBrown@ecitb.org.uk 07973 416149

The Executive Team can be contacted by post at:-

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

Complaints

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

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

APMG
Association of Cost Engineers
Association for Project Management
Capital Projects Client Group (CPCG)
Chartered Institute of Building (CIOB)
Chartered Management Institute (CMI)
Engineering Council
European Construction Institute
Institute of Leadership & Management (ILM)
Institute of Occupational Safety & Health (IOSH)

National Joint Council for the Engineering Construction Industry (NJC)
North East Process Industries Chemical Cluster
Project Management Institute (PMI) UK
Royal Institute of Chartered Surveyors (RICS)
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
20/20 Business Insight Ltd / Business Management
2VT
3Sun Academy Ltd

ABAX Consultancy
Aberdeen Computer Services
Aberdeen Fluid Systems Technology Ltd
Aberdeen Skills and Enterprise Training Ltd
Accounting for Safety Ltd
Acorn Learning & Development Solutions Ltd
ACT Associates Ltd
Adept Knowledge Management Ltd
Advanced Industrial Solutions Ltd
Ainscough Crane Hire Ltd
AJB Assessments & Training Ltd
Aker Process Ltd
Aker Solutions
Al Futtain Carillion LLC
Alliance Learning Ltd
Alstom Power Ltd

AMEC Group Ltd
Angus College
AP Training Ltd
Applus RTD UK Ltd
Appris Management Ltd
ARC Associates UK Ltd
Area North Training Safety Services Ltd
ARMSA Consulting Ltd
Ascenda (Kent) Ltd
ASET (Aberdeen Skills & Enterprise Training) Ltd / Aberdeen College
Atlas Interactive Ltd
AVEVA Engineering IT Ltd
Aveva Solutions Ltd
Azea Ltd
Aztec Technical Services Ltd

Barry Training Services Ltd
Basingstoke College of Technology
Bentley Systems (UK) Ltd
BETA Training
Bill Rogerson Safety Services Ltd

Bordesley Management & Leadership Centre
Bridgwater College Construction Training Centre
Brinsworth Training Ltd
BSSHSE Ltd, T/A British Safety Services Ltd

C & A Pumps & Engineering Ltd
C & G Services (Europe) Ltd
Cambridge University
Cape plc – now Cape Industrial Services Ltd
Capper Industrial Contractors Ltd
Cardiff & Vale College
Carnegie College
Central Training Services Ltd
Chartered Management Institute
City & Guilds (City & Guilds of London Institute)
City College Plymouth

Clear Safety Ltd
Clydebank College
Coleg Glan Hafren
Coleg Gwent
College of NW London
Cordell Group Ltd
Confined Spaces Training Services Ltd (t/a CSTS)
Costain Group Plc
Cranfield School of Management
Creativedge Training & Development Ltd

Derby College
Direct Distance Learning
Doosan Babcock Energy Ltd

Doosan Power Systems Ltd
DTEC Site Services Ltd

EAGIT Training Services Ltd
EAL (EMTA Awards Ltd)
East Midlands Instrument Company Ltd
EDETA Ltd
Enermech
Engineering Construction Training Ltd

Falck NUTEC Ltd
Falck Onsite Ltd
First Intervention Training Ltd
Flexitallic Ltd

Gastech-ne Ltd
GENII Engineering Technology Training Ltd
Grimsby Institute of Further & Higher Education (GIFHE)

Haliburton
Harpers Environmental Ltd, T/A TES Training
Hartlepool Training & Employment Services Ltd
HCCTA (CATCH)
Hertel UK Ltd
Heselden Associates Ltd
Hi-Force Ltd
Hire Station Ltd, T/A ESS Safe Force

Independent Scaffold Ltd
Integral Training Services Ltd
Intergraph (UK) Ltd
Interserve Industrial Services Ltd

J Murphy & Sons Ltd
Jacobs LES Ltd
Jacobs UK Ltd

Keith Bassendine ITC
Kirkdale Industrial Training Services Ltd
KT Associates

Maggie Braid Associates Ltd
Mainport Training Ltd
Maris Training Ltd
Maritime & Engineering College North West
MC2 Technical Recruitment Ltd
MECsafe Ltd
Metalock Engineering UK Ltd
MetTECH UK
Michael Carter Associates Ltd

National Forum for Engineering Colleges (NFEC)
Neath Port Talbot College
NES Aim Academy Ltd
NETA Training Trust
Network Training Services Ltd
New College Lanarkshire
Newcastle-Under-Lyme College
Nigg Skills Academy
NLT Training Services Ltd

Oceaneering International Services Ltd
Occupational Safety Training & Advisory Services Ltd (OSTAS)
Offshore Design Engineering Ltd

Paisley & Johnstone Training Group Ltd
Patriot International Ltd
Pembrokeshire College
Peta Ltd
Phoenix Training Solutions Ltd
Pipes & Tubes (2010) Ltd, T/A Process Pipework Services

Engineering Council
Engineering Management Partnership - University of Bath
ERIKS Industrial Services Ltd
European Construction Institute (ECI)
Evolve International Safety Training Ltd
Expedient Training Services Ltd

Fluor Ltd
Forth Valley College
Foster Wheeler Energy Ltd

Grimsby International College Ltd
GSS Training Ltd

Hire Torque Ltd
HMPS - Camp Hill
HMPS - Lindholme
Humanise Ltd
Humberside Engineering Training Association Ltd (HETA)
Hunter Safety & Training
Hydrasun Ltd
Hydratight Ltd

Inverness College
IPS International Ltd
ITCA

JEP Safety Services
JGC Engineering & Technical Services Ltd, T/A T3UK

Link Associates International Ltd
Lowestoft College
Lowton Training Services Ltd

Mid & North Wales Training Group Ltd, T/A Myrick Training Services Ltd
Middlesbrough College
Midland Group Training Services Ltd
Mines Rescue Service Ltd
Monitor Management Control Systems Ltd
Motherwell College
Mustang Engineering Ltd

North Lindsey College Properties Ltd
North Notts Create Ltd
North West Kent College
Northern Assessment Centre Ltd
North West Kent College
Northern Safety Ltd
Northumberland College
Nottingham Trent University

Oldham Engineering Group Training Association Ltd (OTC)
Oracle United Kingdom
Ormerod Management Services T/A OMS

Pivotal Performance Ltd
Production Services Network (UK) Ltd
Prospects Business Training Ltd
Provek Ltd
Providence Training (Safety Train) Ltd
Purple Cow Training Ltd

Pipex Ltd

Qatar International Safety Centre (QISC)
Quartzelec Ltd
Quick Hydraulics Ltd

R P S Risk Management
Radway Training Ltd
Redhall Engineering Solutions Ltd
Richmond Upon Thames College

Safetech Training & Development Services Ltd
Safety Advisory & Training Services Ltd
Safety Gain Ltd
Safety Passport Training Ltd
Safety Training & Consultants Ltd
Salford & Trafford Engineering Group Training Association Ltd
Sarens (UK) Ltd
School for MACE
Scorpio Health & Safety Consultants
Scottish External Verification Services
Secas Training Association Ltd
SETA Training & Advisory Services Ltd
Setter & Associates Ltd
Shanahan Engineering Ltd
SHE Knows Ltd

T3UK (a division of JGC Engineering & Technical Services Ltd)
Tala Training Ltd
TDB Training Specialists Ltd
TDR Training Ltd
Technip E&C Ltd
Teesside Rigging & Lifting Ltd
Teesside University
Tentec Ltd
The Bradley Group Ltd
The Grimsby Institute of Further & Higher Education (GIFHE)
The Manchester College, c/o HMPS – Lindholme

University of Aberdeen

Warwickshire College
Waterside Training Ltd
Webbs Training Services
Weston College

Yorkshire Training Services

Rob Butler HSE Ltd
Robert Gordon University
Romatech (N.I) Ltd
RPS Risk Management
RSS Training & Consultancy Ltd

Sibbald Ltd
Siemens Power Generation / (Siemens Energy ESSF)
Siemens Transmission & Distribution Ltd
Skillbuilder Training
SMTS Ltd
Southampton Engineering Training Association (SETA)
SPX Bolting Systems
SSG Training & Consultancy Ltd
St Helens College
STC Global Ltd
Stockport Engineering Training Association Ltd
Stork Technical Services Ltd
Sutton Coldfield College
Swagelok Scotland
S W Durham Training Ltd

The TTE Technical Training Group
Thermal Insulation Contractors Association
TMS International Ltd
Torque Tension Systems Ltd
Total Safety Services Ltd, T/A Breathing Equipment Hire
Train to Safety Ltd
Training 2000 Ltd
Trainrite Ltd
Trainow Ltd
Transafe Training
TTE Training Ltd

V2T Ltd
Vital Resources Ltd

Wolviston Management Services Ltd
Wood Group Engineering (North Sea) Ltd
Worley Parsons Europe Ltd
Wright Brothers Industrial Services Ltd, T/A Trainright

ECITB approved centres

3Sun Academy Ltd
Aberdeen Fluid System Technologies Ltd
AJB Assessments & Training Ltd
Aker Offshore Partner Ltd
Alliance Learning Ltd
Alstom Power Ltd
AMEC Group Ltd
Ascenda (Kent) Ltd
Avon Vale Training Ltd
C & G Assessments & Training Ltd
Cardiff and Vale College
Colchester Institute
Doosan Babcock Ltd
Dundee and Angus College
EAGIT Training Centre
EDUTRAIN International Ltd
Engineering Construction Training Ltd
Envirotec Group Ltd
Eric Tobin & Associates Ltd
Falck Onsite Ltd
Fife College
Forth Valley College
Gen II Engineering Technology Training Ltd
Glasgow Clyde College
Global Training & Assessment Services Ltd
Great Yarmouth College
Grimsby Institute of Further and Higher Learning
Harlow College
Hartlepool College of Further Education
Hartlepool Training and Employment Services Ltd
Humberside Engineering Training Association Ltd
IPS International Ltd
ITCA
Jacobs LES Ltd
Kellogg Brown & Root Ltd
Kirstall Ltd
KT Associates

Lambeth College
Leeds College of Building
Logistic Employment Training Services Ltd
Lowestoft College
Maggie Braid Associates
Maritime & Engineering College North West
MetTECH UK
Middlesbrough College
Neath & Port Talbot College
NETA Training Trust
Newcastle Under Lyme College
Nigg Skills Academy
North East Scotland College
Northumberland College
Pembrokeshire College
Pipex Ltd
Production Services Network (UK) Ltd
QTS Ltd
Richmond Upon Thames College
Shropshire Council County Training
Siemens plc
South West Durham Training Ltd
Southampton Engineering Training Association
STEGTA
Stockport Engineering Training Association Ltd
Teesside Rigging and Lifting Ltd
The Assessment Services Centre
The Manchester Colleger (HMP Lindholme)
The Modern Trades Academy Ltd
The North Highland College
TMS International Ltd
TTE Training Group Ltd
Tullos Training Ltd
Vocational Training Associates
Warwickshire College
West College Scotland
Wood Group Engineering (North Sea) Ltd
Yorkshire Training Services Ltd

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)
National Apprenticeship Service (NAS)
Nuclear Energy Skills Alliance (NESA)
Office of the Qualifications and Examinations Regulator (OfQual)
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)
Sector Skills Council for the Building Services Engineering Sector (SummitSkills)
Sector Skills Council for Facilities Management, Housing, Property, Planning, Cleaning and Parking (Asset Skills)
Sector Skills Council for the Process and Manufacturing Sector (Proskills UK)
Sector Skills Council for the Electricity, Gas, Waste Management and Water Industries (Energy & Utility Skills)
Skills for Business Network (SfBN)
Skills Funding Agency (SFA)
Skills Development Scotland
UK Commission for Employment and Skills (UKCES)

Appendix G

Other relevant organisations

External auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
Internal auditors	Mazars Public Sector Internal Audit Limited Tower Bridge House St Katharine's Way London E1W 1DD
Bankers	Barclays Bank Plc Blenheim Gate 22/24 Upper Marlborough Road St Albans Hertfordshire AL1 3AL
Investment managers	Schroder & Company 31 Gresham Street London EC2V 7QA
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



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ISBN 978-1-4741-0285-8

