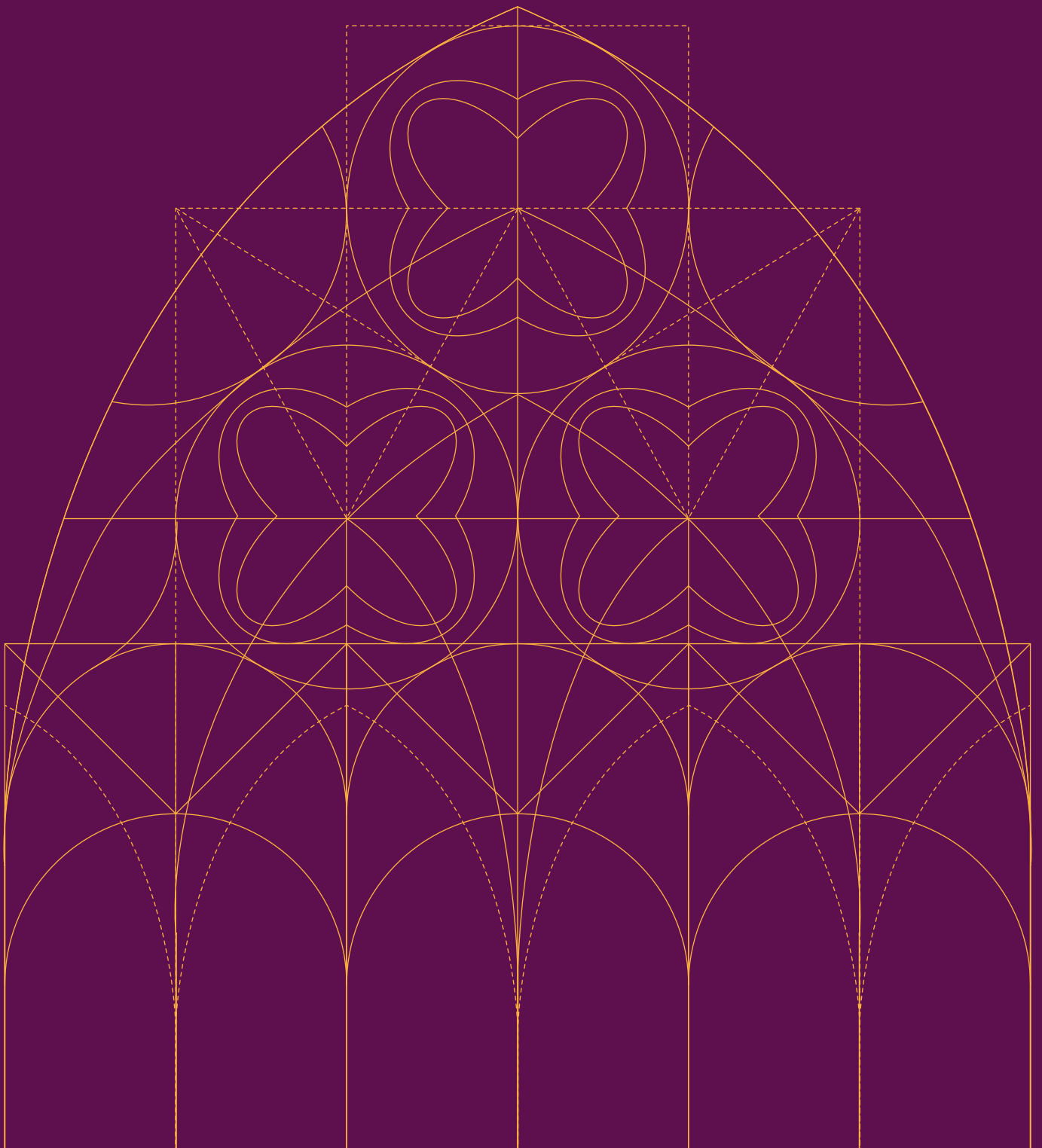


2017 ANNUAL REVIEW & ACCOUNTS



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PRESIDENT'S FOREWORD

Having spent most of my professional career in the field of heritage conservation I am acutely aware of the connection between buildings and culture.



It is clear to me that the membership of the CIOB is more than a collection of people looking for competitive advantage. We share a set of values that underpin what it means to be a Chartered professional.

In that sense we are stewards of the built environment; we help build and then maintain structures according to a certain vision. That vision is a cross between the client's intent and the architect's design, but buildings take on a life of their own. Most of them will outlast the builder and many will carry on to subsequent generations. Our ambition must drive the future of this industry yet remain mindful of the past.

That sentiment is true of the CIOB. We have a rich heritage but we also have to move forward, change and adapt. 2017 was a year full of big moments and big wins. For me, one of the most memorable was witnessing Margaret Conway win our Construction Manager of the Year Awards, making her the first woman to achieve this most prized accolade. Margaret not only project managed the construction of a superb building but she used her influence to reach out and promote a construction career to young boys and girls. What better way to inspire the next generation than from those who are building the future right now. Each of us can be an ambassador for the industry.

An objective for my Presidency is to share knowledge about the global historic built environment to encourage more people into this exciting sector. I was pleased to speak at the CIOB Conservation Centre in Suzhou, China, about the Institute, and the UK's expertise for managing the oldest building stock in the western world. China's rapid urbanisation challenges how it maintains and preserves its own heritage. Encouragingly though, for many of our members this is an area of strength and their skills are highly valued. I was delighted to sign a Memorandum of Understanding with Suzhou Wudu Construction Investment Company to work together on areas of research and training that will boost conservation expertise in China.

With our media partners ITN Productions we crafted 'Remastering the Future', a series of films that brought to life the UK's capabilities in preserving old buildings and adapting them for future use. The premiere was held at UK Construction Week in Birmingham, which helped us introduce the CIOB Academy's new 'Understanding Building Conservation Certificate'. This certificate gives important recognition to professionals working in this space and is already becoming very popular.

Together with the National Trust we delivered a very successful conference in London entitled 'Keys to the Successful Operation of Historic Buildings'. For the last few years this event has been a sell out and what is noticeable is the increase of new technology in use in the sector. What is equally visible is the passion and talent our members have and how they are raising the bar on what is possible.

It is clear to me that the membership of the CIOB is more than a collection of people looking for competitive advantage. We share a set of values that underpin what it means to be a Chartered professional. Our work this year, led by Past President Paul Nash FCIQB, to simplify and enhance the behaviours expected of CIOB members is something we all need to be mindful of. As members we must accept our public responsibility. Construction is more than a mere industry – it is a fundamental part of society and we have a big role to play.

A handwritten signature in black ink that reads "Rebecca Thompson".

Rebecca Thompson FCIQB
CIOB President 2017/18

25 April 2018

CHIEF EXECUTIVE'S REPORT

2017 was a time for both consolidation and to reach forward. The work done in previous years on the Grade review and the local organisation started to bear fruit. Feedback on the One CIOB project will help improve what we do at a local level.



2017 was also the year of the Grenfell tragedy, the report on the faults in construction at 88 Scottish schools, as well as the troubles housebuilders were having both in quality and their fairness with customers.

One of the aims of course was to improve our CPD and make the great CPD that does get produced locally more widely available. Our stock of webinars and recorded learning is building and instead of being of benefit to those that just attend an event it is made available to all 46,000 members wherever they are.

2017 was also the year of the Grenfell tragedy, the report on the faults in construction at 88 Scottish schools, as well as the troubles housebuilders were having both in quality and their fairness with customers.

As part of the quality issues the Institute set in train a Presidential Commission specifically to investigate the issues and make recommendations on how the CIOB could best develop its educational and competency frameworks.

Of course the results of the Commission will be forwarded to the relevant bodies looking at the Scottish Schools and the Grenfell tragedy.

At our Members Forum in June 2017 the Forum took on the challenge of health and well-being in the industry and in particular mental health. This resulted in the publication of 'The state of Wellbeing in the Construction Industry' assisted very much by input from CIOB members. We see this work as being part of a range of activity aimed at making the industry a better place for everyone to work in and as such increase our appeal to a diverse range of people and also increase our productivity.

2017 saw the launch of our first Massive Open Online Course (MOOC). It was on the subject of ethics in construction and thousands of people from around the world signed up for the programme. We did this at no cost to any participant as part of our public benefit mission. We will launch further MOOCs in 2018. Of course ethics has been central to our more recent work and during 2017, we revised the Code of Professional Conduct. It's simpler, more direct and we incorporated the main principles on the current membership card.

The support we get from our members around the world is immense. A great many continue to put in a lot of effort behind the scenes, and that activity not only makes the Institute what it is today but gives us momentum for where we want to be in the future.

A handwritten signature in black ink that reads "Chris Blythe". The signature is written in a cursive, flowing style.

Chris Blythe OBE
Chief Executive

25 April 2018

REPORT OF THE TRUSTEES

The Trustees are pleased to present their report together with the financial statements of The Chartered Institute of Building (the Institute) for the year ended 31 December 2017.

This report and the financial statements comply with the relevant statutory requirements and those of the Royal Charter and Bye-Laws.

KEY MANAGEMENT PERSONNEL

Key Management Personnel comprises the Trustees and the Management Board.

1 January 2017 – 19 June 2017

OFFICERS:

President:	Paul Nash FCIOB
Senior Vice President:	Rebecca Thompson FCIOB
Vice President:	Chris Soffe FCIOB
Vice President:	Charles Egbu FCIOB
Chief Executive:	Chris Blythe OBE

ELECTED TRUSTEES:

Jamie Barrett FCIOB	(2017)
Nigel Croxford FCIOB	(2018)
Ray Ford FCIOB	(2017)
Christine Gausden RD FCIOB	(2018)
Gavin Maxwell-Hart FCIOB	(2018)
Ivan McCarthy FCIOB	(2019)
Richard Sapcote FCIOB	(2019)
Michael Smith FCIOB	(2017)

SELECTED TRUSTEES:

Tim Barrett FCIOB	(2019)
Michael Foy OBE FCIOB	(2017)
Philip Hynard FCIOB	(2017)
Stephen Lines FCIOB	(2018)

19 June 2017 – July 2018

OFFICERS:

President:	Rebecca Thompson FCIOB
Senior Vice President:	Chris Soffe FCIOB
Vice President:	Charles Egbu FCIOB
Chief Executive:	Chris Blythe OBE

ELECTED TRUSTEES:

Virginia Borkoski FCIOB	(2020)
Nigel Croxford FCIOB	(2018)
Ray Ford FCIOB	(2020)
Christine Gausden RD FCIOB	(2018)
Gavin Maxwell-Hart FCIOB	(2018)
Ivan McCarthy FCIOB	(2019)
Richard Sapcote FCIOB	(2019)
Michael Smith FCIOB	(2020)

SELECTED TRUSTEES:

Tim Barrett FCIOB	(2019)
Stephen Lines FCIOB	(2018)
Stephen Nitman FCIOB	(2020)
David Philp FCIOB	(2020)

Biographies of current Trustees can be found at www.ciob.org/trustees

The day to day management of the Institute is the responsibility of the Chief Executive supported by a Management Board of functional directors and staff. The Chief Executive is responsible to the Trustees for overseeing all operations of the Institute.

MANAGEMENT BOARD FOR 2017

Chief Executive:	Chris Blythe OBE	Commercial Director:	Jacqueline Balian (left September 2017)
Deputy Chief Executive:	Bridget Bartlett (retired August 2017)	Director of Corporate Services:	Ray Ellison
Managing Director:	Terry Watts (from March 2017)	Director of Operations:	Amy Gough
Finance Director:	Joanna Quirk		

Biographies of current Directors can be found at www.ciob.org/staff

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Institute is governed by Royal Charter (granted in 1980) and Bye-Laws, and registered as a charity in England and Wales (number 280795), and in Scotland (SCO41725).

We are managed by a Board of Trustees, which meets four times a year and is informed by various governance committees. The Trustees and members of the Institute’s Boards and Committees give their time voluntarily and make a substantial contribution to the affairs of the Institute.

The main Governance Committees are Nominations, Audit and Risk, Resources and Remuneration. These Committees are formed of Trustees, with members co-opted to the Committees as required. In addition, we have a Members’ Forum which is used as a consultative body to the Board of Trustees. The Forum is chaired by the President of the Institute.

Further information on our governance structure can be found at www.ciob.org/about/governance

THE CHAIRS OF COMMITTEES FROM 2016 UNTIL 2018 ARE:

	2016 – 2017	2017 – 2018
Nominations:	Michael Foy OBE FCIOB	Michael Smith FCIOB
Audit and Risk:	Nigel Croxford FCIOB	Nigel Croxford FCIOB
Remuneration:	Gavin Maxwell-Hart FCIOB	Gavin Maxwell-Hart FCIOB
Resources:	Rebecca Thompson FCIOB	Chris Soffe FCIOB



APPOINTMENT OF TRUSTEES

Our Board of Trustees is made up of 16 Corporate Members (MCIOB or FCIOB). The Board can co-opt up to two members under Bye-Law 67. There were no co-options for the year of 2017.

The role of the Nominations Committee is to keep under review the composition of the Board of Trustees with specific reference to the competence, knowledge and integrity of the Board in the light of any defined needs. The Committee identifies potential new trustees for consideration by the full Board of Trustees and has oversight of the process for election and selection of new trustees.

The Board comprises eight persons elected by Chartered members. In addition, four persons are selected by the Board. Four officers are then appointed by the Board.

Any Member or Fellow of the Institute can apply for a position of Trustee. The Nominations Committee assesses applications through a two stage process; a written application and a telephone interview. Following this, the Committee can call for a ballot of corporate membership to elect a number of Trustees to the Board. There were two positions elected to the Board in 2016 and three positions elected in 2017.

After the election, the Committee reviews the skills of the Board and selects members from a pool of successful applicants to fill any missing competencies or skills. In 2017 two people were selected.

Trustees are eligible to apply for a second term of office, however they must successfully complete the application process and then be either elected or selected to the Board. A Trustee must stand down following two consecutive terms in office. Nominations Committee oversee an annual review of the Trustees.

TRUSTEE INDUCTION AND TRAINING

Each member of the Board undertakes induction training, consisting of a comprehensive briefing by the Chief Executive and Institute Secretary with emphasis placed on the legal status and the responsibility of a Trustee. In addition, all new Trustees have a thorough introduction with directors and key staff.

An induction pack is provided to each Trustee containing the Institute’s Royal Charter and Bye-Laws, Regulations and reference documents relating to the role of Trustees from the Charity Commission. This is updated as required throughout the year and updates are provided to the Trustees.

RELATED PARTIES

The Institute has two wholly owned trading subsidiaries; details of which are shown in notes 6 & 7 to these financial statements.

Englemere Building Services (Chongqing) Co Limited is registered in the Peoples' Republic of China and provides the Institute's services for members in China.

Englemere Limited manages the CIOB Academy, conferences and other events on behalf of the Institute and provides certain services to members. The profits of Englemere Limited are transferred by gift aid to the Institute.

EXECUTIVE REMUNERATION AND PAY POLICY

The Institute is obliged to set down the arrangements which it has adopted for setting the pay and remuneration of the charity's Key Management Personnel. This is to include any benchmarks, parameters or criteria used in setting pay.

In order to undertake these duties effectively and independently, the Institute has convened a Remuneration Committee ("Remco"), which meets three times a year to consider and determine on matters related to setting of pay policy. It is comprised of Trustees and the Chief Executive of the Institute.

The purpose of Remco is to annually approve the following year's salary levels and Executive Bonus Scheme targets for the CIOB Senior Management Team (SMT) pursuant to the recommendations submitted to Remco by the CEO. The Committee members also have the duty to set the level of salary and Executive Bonus Scheme for the CEO.

Remco continually seeks to ensure that the pay policy follows the principles of fairness and good practice. They benchmark remuneration against the comparable market using independent advisors.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to manage exposure to the risks.

The Trustees delegate day to day oversight and management of risk to the Institute's key management personnel.

Risks are mitigated in the following manner. A risk register is produced identifying the principal risks to the achievement of the Institute's plans and objectives as set out in the corporate plan. Regular monitoring of performance and risk management takes place through a number of mechanisms, with the oversight of the Audit and Risk Committee.

In addition the risk register is used to draw up our internal audit programme which our internal auditors BDO LLP carry out. The Internal Audit plan is agreed by the Audit and Risk Committee on behalf of the trustees.

After due consideration, the Trustees summarise and describe here the main risks and uncertainties which faced the Institute and its subsidiary operations in 2017, together with the approach to management and mitigation:

- The Institute launched the CIOB Academy at the end of 2016. As a new area of operation the key risks have been identified as not establishing a suitable offering to our potential customers resulting in failure to achieve viable learner numbers and develop a self-funding business. These risks are being managed through governance by key

senior figures from Academia and Industry, active engagement with industry and constant evaluation of pricing and course offerings. The Academy Board reports directly to the Board of Trustees during this development period.

- Operating in different territories brings its own challenges. These range from political risks to economic risks. To mitigate the risks we continually review our operations ensuring that our structures are appropriate, taking appropriate legal advice and to avoid currency issues, invoice in sterling wherever possible.
- As a result of a number of well publicised incidents in Scotland and England around construction quality and the issues of poor management and supervision the President established a presidential commission to consider quality and what the Institute needed to do to be part of the solution not the problem. The commission will forward its recommendations to the Members Forum in July 2018 for consideration.
- As a result of the Grenfell tragedy, the construction industry and in particular the professions have been under the spotlight. The Institute has played its full part in the subsequent reviews initiated by the UK government to ensure that any identified corrective measures have the best chance of having a positive impact by being appropriate and implementable.

The above are examples of a proactive approach to risk management required to deliver our objectives. We will continue to use the risk register process, which forces a systematic appraisal of risk.

PRINCIPAL OBJECTIVES

Our Royal Charter is clear that our prime directive is to work for the public good, it states: **“The objects of the Institute shall be the promotion for the public benefit of the science and practice of building and construction; the advancement of public education in the said science and practice including all necessary research and the publication of the results of all such research.”**

In support of this imperative we have:

OUR VISION:

“To lead and inspire excellence in the built environment”

OUR MISSION:

“To provide a platform to enable industry to consistently achieve excellence”

OUR VALUES:

“To strive for excellence in everything we do and serve the common good: respectfully, honestly and with the highest degree of integrity”



FIVE STRANDS OF ACTIVITY

There are five strands of activity that define the CIOB action plan.

There are five strands of activity that define the CIOB action plan under which we deliver this vision:

Excellence

To help our members and others achieve excellence in construction management for the public good, through the creation of clear standards, as well as excellent training, knowledge and certification.

Growth

To grow the number of Chartered members in order to increase the pool of expertise available to the construction industry and in doing so drive up standards across construction.

Career Support

To help everyone in construction, or looking to join the sector, develop their careers, regardless of their starting point. Pursue the latest learning technologies and reinvigorate our research capacity to deliver high quality CPD, journals and publications. Our intention is to keep ahead of the latest trends and developments in the sector to equip members for the future.

Raise Awareness

To embed the value of the standards of excellence, manifested through the Chartered Construction Manager, and raise awareness of the industry. Develop products for the industry and its clients including conferences and training to facilitate continuous improvement in quality, thereby enhancing the reputation of the industry.

Maximise Efficiency

Restructure the Institute to maximise the efficient use of resources in promoting excellence, and supporting members by utilising the latest technology to improve our effectiveness.

2017 OBJECTIVE > EXCELLENCE

A key part of our remit is to set and maintain education standards, supporting people into construction and their careers through membership, providing access to a professional career for people from all backgrounds. This will continue to be an important role in a future where the availability of migrant labour and increasing skills shortages are to the fore. Industry is expected to look to train and develop staff and bring through new entrants of all ages and we are ideally placed to support this with our qualifications, certifications and membership programmes; delivered by our partners and by the CIOB Academy.



NEW CERTIFICATION LAUNCHED

New certification launched in Building Conservation

Our training and qualifications in site supervision and site management are integral to several of the new apprenticeships throughout the UK. They are valued by learners who use them to access industry card systems in the UK ensuring safe practices on construction sites.

We launched a new certification in Building Conservation which is proving popular with professionals working in built environment heritage throughout the country. The certification verifies an individual's occupational competence to the CIOB's high standards. A Building Information Modelling Certification is currently under development for BIM Technicians and Managers and will launch in 2018, with a Site Management certification to follow.

The new Professional Certificate in International Construction Management, created at the request of the Chinese government for members in China, will launch in 2019. It will be delivered by a number of top universities and by the Beijing Changping Project Management Training Centre of the China Construction Industry Association. The idea is to give learners a comprehensive understanding of international practice that can aid their entry into CIOB membership. This programme will be adapted for partners around the globe.

Entrants are being attracted from around the world into our new route to Fellowship. Candidates have welcomed the challenging opportunity to detail and discuss their individual contribution to their companies and to the industry as a whole. New and established members have been invited into Fellowship, recognising their competence as world class leaders and worthy ambassadors for the construction industry.



MINECRAFT LESSON DOWNLOADS

So far these lessons have been downloaded from Minecraft 530 times worldwide

We continue to work with the consortium of employers and the Institute for Apprenticeships to implement a new Degree Apprenticeship for Construction Management. It will be delivered by universities in collaboration with employers throughout England. The recently established Construction Site Management apprenticeship in Wales is also attracting new entrants to the industry and a further apprenticeship is under development in Scotland.

Our Education team has continued to influence education policy through the 14-19 Construction Built Environment Committee and by contributing to industry groups, campaigns and government policy consultations. We have maintained our relationship with MyKindaFuture to launch the 2017 Pupil Challenge and have attended skills and careers fairs across the country to engage with young people and encourage them to consider all that construction has to offer. In addition Microsoft invested their own money to develop our Craft Your Future Minecraft lessons for the Pocket Book edition (often played on iPads) of the game. So far these lessons have been downloaded from Minecraft 530 times worldwide.

2017 OBJECTIVE > GROWTH

Overall membership has remained static at around **46,500**, but we are delivering on our strategic objective to increase the number of Chartered members, who have increased in number by **2.4%**. This is in part due to an increase in the number of upgrades compared to last year, and we have converted nearly **1,300 MCIOBs**, an increase of **1.1 %** on last year. Compared to 2016, **we have also doubled the number of new Applicants** coming through to membership.



Over 1,000 organisations in our Chartered Building Companies and Consultancies and Training Partnership schemes.

Employer Engagement activities are a real success story with just over 1,000 organisations in our Chartered Building Companies, Chartered Building Consultancies and Training Partnership schemes. We have 467 CBCs (232 companies and 235 consultancies), 20 of which are international. In 2017 we secured 33 new CBCs, predominantly medium sized companies which represents an overall 7% growth rate. This is a pleasing result considering the successful transitioning of CBCs to a more robust standard, which helps us raise the bar within the industry.

We also have a total of 545 Training Partnerships of which 41 are international. This is equivalent to 92 new partnerships coming on board in 2017, which has delivered a 16% growth rate and produced 20% of all new applicants (an original target that wasn't to be achieved until 2020).



By the end of the year 330 events were held, across all the CIOB hub and global regions.

2017 also saw the emergence of our new CIOB local landscape which contains 29 hubs across the UK and Ireland. Following our first Hub Committee recruitment drive 76 members were successfully inducted into their new roles. A key focus for these committees is to use their industry skills, experience and networks to promote the CIOB and identify events and CPD on the 'hot' construction topics near them. By the end of the year 330 events were held, ranging from networking opportunities to sites visits through to CPD events, webinars and Professional Review workshops.

The transition from Branches and Centres to Hubs under the One CIOB structure also gathered momentum overseas. Two rounds of international recruitment have taken place and the new Hub committees will officially go live in January 2018.

In tandem with the structural changes, we aligned our Novus (young professionals) groups to run parallel to each local hub, with 22 Novus groups now in place across the UK & Ireland and 11 groups in other countries. There is scope for further development to ensure each Hub is accompanied by a Novus group in 2018.

Increasing diversity of thought throughout CIOB governance is vitally important, Novus grew its representation at Members Forum, held in Cardiff, with six representatives from across the globe representing; the Americas, Asia, Europe, Oceania, Middle East and North Africa, and Sub Saharan Africa Regions.

In 2018 Novus will celebrate its 10 year anniversary and our ambition is to drive greater awareness and more outreach using our young professionals to help us raise profile and in promoting careers in construction.

2017 OBJECTIVE > CAREER SUPPORT

Launched in 2016, the Academy was created for the construction industry to ensure the availability of high quality education and training. The vision is to provide learning today in order to create leaders for tomorrow and help the drive towards a more productive and effective construction industry.



Over 25,000 users viewed CIOB Academy content online

With these goals in mind there has been further investment in the Academy in the year in order to grow and develop its offering to include a number of training courses and resources that support the industry in gaining access to the latest information. By the end of the year, more than 25,000 users viewed Academy content online.

At the start of the journey the training portfolio consisted solely of face-to-face courses in core skills in construction and management best practice. Delivered at our London office, attendance has continued to grow throughout the year and 95% of attendees have rated the courses as either excellent or good.

As well as offering professional development courses, the Academy has recognised the importance of providing access to industry qualifications and membership. We have successfully launched a fully online Chartered Membership Programme, with 30 confirmed delegates on the first course, and certifications in BIM Management, BIM Technician, and Building Conservation. Backed by one and two day courses, the BIM and conservation certifications, managed by the CIOB's education team, provide key industry recognition as a certified professional. In 2018, we will add a further certification, and also an online Site Management programme for those looking to develop into management or enter the sector.



Over 5,000 individuals worldwide took part in our first Massive Open Online Course (MOOC) on Ethics.

Supporting the training portfolio, the Academy is also proud to offer a number of free resources. We launched our first Massive Open Online Course (MOOC) around ethics. This course was free to anyone and reached over 5000 individuals from many countries across the globe. 60% of learners stayed with the course right until the end. The challenge for 2018 is to continue this success with our next MOOC on sustainability, which will be created in collaboration with London South Bank University.

We have also successfully migrated the previous CPD (Continuing Professional Development) portal onto the Academy site and developed its offering with new and exciting video and webinar pieces. This content is growing and next year we predict an increase in the 5000 visits a month we are currently attracting.

2017 OBJECTIVE > RAISE AWARENESS

Our work raising awareness centred on the prevalent issues surrounding construction quality. The tragic events at Grenfell Tower in London, as well as a series of quality failings across the industry in 2017, focused the attention of UK government, industry and society at large on the consequences of poor quality in construction.



BEST PRACTICE TOOLKIT TO TACKLE MODERN SLAVERY

CIOB and Stronger Together launched a best practice toolkit to help construction tackle modern slavery

In light of these failings and under our public interest remit, we established a Construction Quality Commission in June to investigate quality and what needs to be done to improve it. A call for evidence was launched to gather views, data and substantiation from stakeholders to identify what the CIOB and wider industry can take to improve construction quality.

Early analysis of the evidence suggests construction quality is not purely down to a lack of skills or interpretation of regulations, but rather a moral and cultural issue. Which is why we continue to push the value of professionalism and ethics across the sector.

In February, the CIOB and industry alliance Stronger Together launched a best practice toolkit to help the construction sector tackle modern slavery in its global supply chains. A wider programme of work has since developed inviting construction companies and clients to become construction sector project sponsors to help shape training and CPD to fit the needs of their supply chains.

We have also updated our Rules and Regulations of Professional Competence and Conduct to meet the needs of a changing industry. These have been produced to make it easier to understand what behaviours others can expect from CIOB Members and what they should expect from each other.

Our industry is also set to change following Brexit. We have been working alongside our sister institutes, including the RIBA, RICS and RTPI to ensure UK construction has a strong voice on issues such as procurement and skills during the negotiations.



UK GOVERNMENT SET TO INVEST £170 MILLION

UK Government set to invest £170 million to improve industry's innovation and productivity

We have also seen the Government using our research on sector issues such as productivity. Following the Chancellor's Budget in November 2017, the Government struck a deal with the construction industry through the Construction Leadership Council (CLC) to invest £170 million to improve the industry's innovation and productivity. Further funding has also been made available to improve digital and construction training to ensure the industry can plan its workforces for the industry of tomorrow.

To support these developments, we will release a resource in 2018 to advise policy makers on making better informed investment decisions in construction; showcasing the wider, often-hidden, socio-economic benefits that can be accessed through investing in the right type of construction.

With Rebecca Thompson FCIOB becoming President for 2017/18, we used a number of activities to strengthen CIOB's voice on the topic of heritage; in partnership with the National Trust, we achieved maximum numbers for the Heritage Conference for a second year at Somerset House in London and our third programme in a series with ITN Productions was themed around breathing new life into existing buildings.

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2017 OBJECTIVE > RAISE AWARENESS



**FIRST FEMALE
CONSTRUCTION
MANAGER OF
THE YEAR**

Margaret Conway became first female Construction Manager of the Year

...continued from previous page

The Construction Manager of the Year Awards was consistent in generating a good number of high quality applications and attracting new sponsors for the event. A change was made to the category structure which shifted the focus away from project value and towards the individual, drawing out the personal stories in an engaging way to more closely align with the values of the competition; this successfully resulted in an increased number of smaller companies entering the awards.

Following a campaign to encourage applications from a more diverse pool of candidates in the early part of the year, for the first time in the competition's 39 year history, a female Construction Manager won the overall prize; Margaret Conway's employer McAleer & Rushe based in Belfast also won the main prize in 2016 with the youngest ever winner Paul Marlow. Margaret is now working closely with the CIOB, both centrally and in her home country Ireland, to inspire more young people into careers in construction.

2018 marks the 40th year of CMYA and this landmark year will be celebrated through a strong campaign across all our communication channels with the aim of generating a higher number of entries, sponsorship and ticket income, alongside raising the profile of the awards beyond the membership.

Our exhibition stand at the Skills London show in October saw an extremely high level of footfall and enabled us to speak with young people directly about careers in construction, apprenticeships and to promote our construction challenge for schools, run each year in partnership with MyKindaFuture.

It was another successful year of participation in Global Student Challenge, CIOB's competition for University Students. A team from Glasgow Caledonian once again were crowned winners in Hong Kong after a tense final that saw Cambridge pipped to the post.

A strategic approach to events in 2018 will support the wider aims and objectives of CIOB; we will actively seek speaker opportunities at events which directly complement the work of our Special Interest Groups and investment in exhibitions will be made only where the audience is directly relevant for member acquisition or profile raising.



**700,000
SESSIONS FROM
400,000 USERS
IN 2017**

CIOB online attracted 700,000 sessions from 400,000 users in 2017

The Global Student Challenge Final Event in 2018 will be held in Toronto as part of Members Forum; we will seek to increase the impact of this campaign in North America by utilising organisations and networks that can promote the challenge to US university networks.

Digitally we continue to grow. Across the year CIOB online attracted 700,000 sessions from more than 400,000 users. 66% of traffic comes from within the UK and our most popular online visitor grouping is aged between 25-34 years old, with 27% of total users female.

In addition our newly rebranded Construction Manager Magazine and Global Construction Review digital news source are also increasing their reach. GCR attracted more than half a million users in 2017 which represents a 6.7% increase on 2016. Equally it was a good year for CM magazine online with almost 350,000 users visiting the CM website, 20% more than 2016.

2017 OBJECTIVE > MAXIMISE EFFICIENCY

In the summer we set up our first Project Management Office (PMO) to help us internally organise and align a portfolio of change projects. Much has been achieved including the design and implementation of a project governance framework and associated tools.



PROJECT MANAGEMENT OFFICE

CIOB implements first Project Management Office for internal projects.

New project management software and disciplines have been introduced across the business to improve consistency and visibility in the way we manage projects. Through training, advice and coaching of existing and prospective project leaders we are improving the way staff communicate with each other about new initiatives.

A core and ongoing focus of the PMO is the alignment of ideas, initiatives and projects, removing duplication in the project space, and ensuring the production of comprehensive business cases clearly mapped into the prevailing strategy and complemented by robust research, testing and options analysis. In essence we want it to focus on excellence and efficiency in delivery within the CIOB.

We have successfully implemented new technology to improve our own efficiencies and to develop a better experience for members and our other customers. One such piece of work is our new event management software, this not only makes it easier for us to manage our events but importantly makes it faster for members to find and book CIOB events.

This forms part of our response to deliver greater shared learning across membership no matter where members are located. Our use of webinars is starting to gather momentum and in our plans for 2018 is to greatly increase the adoption of online events.

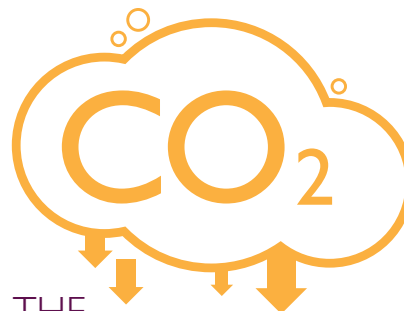
OUR ENVIRONMENTAL IMPACT IN 2017

Our total energy use for our Bracknell head office in 2017 stood at 119,034.9kWh, equivalent to 428.5 gigajoules. This marks a decrease of 3.5% compared to our energy use in 2016.

Using the UK Government Greenhouse Gas 2017 conversion factors, this means our head office carbon footprint is equivalent to 41,848kg of CO₂. Combined with the fact that UK grid electricity is becoming cleaner, due to the phasing-out of coal power plants and increase in renewable electricity generation, this means that the carbon footprint of our head office shrank by 17.7% compared to 2016.

In terms of our carbon dioxide emissions per m² per year, this is equivalent to 48.5kg an improvement of 10.4kg from 2016.

Our London premises' energy use was 46,176kWh, equivalent to 166.2 gigajoules. Using the same conversion factors as above, this corresponds to 16,233.6kg of CO₂. For the London office, our carbon dioxide emissions per m² per year stood at 51.9kg. This represents a total energy consumption increase from the previous year of 27.6% and a 7% increase in our carbon emissions. This is to be expected as the CIOB Academy established its formal presence in London in 2017 and use of the office by staff, members and guests increased markedly.



THE
CARBON FOOTPRINT
OF OUR HEAD OFFICE
SHRANK BY **17.7%**
COMPARED TO 2016

These figures show that both our offices are currently performing significantly above the good practice benchmark for air conditioned non-domestic premises (85kgCO₂/m²/yr) as defined by the WRAP Green Office Guide.

PLANS FOR FUTURE PERIODS

Re-balance our efforts in working to improve the built environment, for the public good.

Having established a strong platform of support and interest for our campaign activity in areas such as Modern Slavery and Ethics we will aim to build on the work of our Presidential Commission on Quality in Construction to drive programmatic change. As the findings of the CIOB Commission emerge, we will look to address the issues raised by the Hackett review and Grenfell enquiry with an appropriate set of responses from the CIOB.

The need to re-establish a holistic view of construction at the site level has never been more pressing. Our members represent the best in construction management, and as the market moves to address the issues of managing all aspects of the construction process we will work to ensure our members receive the recognition they have earned. To this end we will gain ISO validation for our training and assessment processes that will enhance the value of membership both in the UK and globally. We will also further develop our certification programmes to enable professionals in the sector to demonstrate their expertise

in areas such as site management, building on the recent success of the Conservation Certification programme.

As we develop our wider industry presence we will attempt to capture the social impact and value of CIOB directly and more generally of the work of our members. This will enhance the image of the sector in the eyes of new recruits and future generations while also demonstrating the importance of the built environment to the wider public.

Refocus our efforts in support of CIOB members to provide them the opportunity to enhance their career prospects and give them the edge in a competitive marketplace through valuable learning, certification and recognition for their achievements.



THE CIOB ACADEMY CONTINUES TO MAKE GOOD PROGRESS WITH INCREASING AMOUNTS OF ONLINE CPD

The CIOB Academy continues to make good progress with increasing amounts of online CPD, and training such as the popular Chartered Membership Programme (CMP) and recently announced Site Management Programme. These make more of our valuable learning resources available to more members across the UK and the world. While continuing to enhance these offerings, work is also underway to align more of what we provide to address specific member requirements and in support of the professional education frameworks that define the standards we expect from our members.

With so much change in the sector and within the Institute in recent years, and with no sign of the rate of change diminishing, we are taking the opportunity to step back and review the entire process from initial enquiry or introduction to the CIOB to continuously developing skills as a Fellow. By assessing and refining the processes and communication at every stage, and aspect of our engagement with the sector, we intend to deliver a far more effective and satisfactory experience for anyone engaging with the CIOB.

Our work on engagement with the sector will extend to our international operations and build on our already healthy engagement with employers where our proposition is also being refined and enhanced.

Adapt to and embrace the opportunities in the changing ways that higher education services the skills requirements of construction through degree level apprenticeships, and the broadening skills required of construction professional. Work closely with the industry and government to increase CIOB and industry influence on key issues.

Our reinvigorated Special Interest Groups (SIGs) look ahead to identify significant change within the sector in areas such as Technology, Conservation and Diversity and Inclusion. Their input drives our campaigns, research and skills development activity, providing CPD content, and support for our Certifications for example. Closer working within the CIOB means that the impact the SIGs can have on members' careers, and the sector generally, is increasingly more immediate, and we will continue to enhance our responsiveness to change.

The requirement for practical skills and experience, coupled with academic knowledge in the 21st century construction manager, fits well with the government's strategy to drive degree level apprenticeships. While the CIOB is not, and does not plan to become, an apprenticeship training provider, we are very engaged in the processes of establishing and to promoting to young people apprenticeship routes for the sector. These will allow the next generation of construction managers to see a route to rewarding careers, from a foundation of high quality academic and on-the-job training leading to a career of continued development, hopefully as a CIOB member.

Investment in our research and policy activity has provided a strong basis for our members' voices to be heard as we continue to raise the profile of the industry and institute through our engagement with young people, our campaigning for greater diversity, and as we celebrate the value of construction to the wider public. We will further develop our capabilities in this arena through additional focus on public relations and investigate developing policy activity in international territories.

Improve the Governance, business systems and intelligence of the CIOB so that members and customers receive an improved experience.

Having put in place a number of new systems that enable us to enhance the efficiency of CIOB operations, we are now working to exploit the functionality of these systems to automate and integrate our support of members. A closer focus on digital solutions will enable the CIOB to offer a more customised and consistent service to members wherever they are, and however they choose to engage with us. Through the use of better systems and processes, we aim to free up resources from running the organisation that can be invested in adding value to the contribution the institute can make to members' careers, the public and the built environment.

FINANCIAL REVIEW

The audited financial statements, which form part of this report, comply with the Charities Act Accounting Rules, Financial Reporting Standard (FRS) 102 and Charities Statement of Recommended Practice (SORP) Accounting & Reporting by Charities 2015. The Trustees consider that, in preparing these accounts, they have consistently applied the appropriate accounting policies supported by reasonable and prudent judgements and estimates where required.

The financial statements show a planned deficit as agreed by the Board of £19k (2016:£297k) before investment gains. Including unrealised gains net income for the year is £694k (2016:£848k).

Total income was £11.05m (2016: £11.06m) of this income £8.2m came from membership subscriptions. Despite a stable overall income largely due to static member numbers there has been a slight income growth membership due to an increase in Chartered members of 2.4%. Trading income has increased with the launch of the Academy and activity has increased in the hubs resulting in increased income.

Total expenditure was £11.07m (2016: £11.35m) a decrease of 2%. This is primarily due to significant investment spend in 2016 on One CIOB, investment in IT infrastructure and in the development of the Academy. There has been further investment in 2017 in line with the Corporate Plan in the development of the Academy, the further roll out of One CIOB, the new route to Fellowship and IT infrastructure.

The financial statements also include the results and net assets of the Institute's Hubs throughout the world. The Institute has two operating subsidiaries:

Englemere Ltd showed a loss of £323k (2016: £48k). This is due to planned investment in developing the Academy. However, the company is expected to trade profitably in future years after the initial investment.

Englemere Building Consultancy Services (Chongqing) Co Ltd made an operating surplus of £26k (2016: £29k).

Capital expenditure for the group during the year amounted to £153k (2016: £471k). This mostly related to the investment in the new Customer Relationship Management (CRM) system.

RESERVES

The Trustees have reviewed the reserves policy in line with the risk management process and assessed the level of reserves required. The financial risks have been reviewed and the Trustees have identified the main likely calls on reserves to be as follows:

- A shortfall in income the major elements of income have been reviewed to identify where changes may arise and how based on risks.
- Enable expenditure to be reduced through restructuring to deal with the fall of income if the need arises.

- Invest in the Institute's strategic objectives for the coming year.
- Cover the Institute's long term non-cancellable leases and contractual commitments.
- Cover a fall in investment values.

They have concluded that an appropriate level of reserves to deal with these scenarios is in the range of £7m -£8m. Total funds held by the Institute at 31 December 2017 were £13,504k (2016: £12,810k). £209k (2016: £192k) of which are restricted funds. The Institute also holds £437k (2016: £422k) of designated funds for expenditure on scholarships. The level of free reserves, i.e. the value in excess of fixed assets balances, restricted and designated funds in total is £11,529k (2016: £10,808k).

The current level of free reserves therefore exceeds the reserves policy. The Institute plans to continue to invest these funds in the Institute's long term strategic objectives. This includes continuing investment in line with the Corporate Plan 2020 in: growing membership and improving engagement with and services to members; global recognition; campaign activity; enhancing and growing the Academy; education, certification and qualifications; and the technology and infrastructure of the Institute.

INVESTMENT PERFORMANCE

The Institute's investments are held in externally managed investment portfolios in accordance with the powers contained in the Institute's Bye-Laws. Investment is in accordance with the Trustee Act 2000.

The instruction to the Investment Managers is a long term investment strategy which is balanced in nature with a remit to pursue a growth policy as market conditions may allow.

The overarching investment strategy is to invest in order to receive a return which would be used to further the aims and objectives of the Institute as laid down by the Royal Charter, and support the Institute's long term strategic objectives.

The Investment Committee has responsibility for reviewing the performance of these funds against Wealth Management Association indices and Cazenove Composite benchmarks. During the year investments have outperformed against benchmark. Meetings are held bi-annually with the Investment Managers to monitor performance.

TRUSTEES RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity, and the group, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware and
- The Trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of The Trustees.



President
Rebecca Thompson FCIOB
CIOB President 2017/18



Trustee
Mike Smith FCIOB

25 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHARTERED INSTITUTE OF BUILDING

OPINION

We have audited the financial statements of the Chartered Institute of Building for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2017 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS FOR OPINION

We have been appointed as auditor under section 144 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient and proper accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



haysmacintyre
Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

Incorporating the income and expenditure account for the year ended 31 December 2017

	Notes	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Designated Funds 2017 £'000	Total Funds 2017 £'000	Total Funds 2016 £'000
Income From:						
Charitable activities						
Member Subscriptions	2	8,207	-	-	8,207	8,101
Examinations and other fees	3	919	-	-	919	874
Chartered Building Company Scheme	4	242	-	-	242	237
Academy Income	7	102	-	-	102	59
Other Trading Activities						
Trading Turnover: Englemere Ltd	7	297	-	-	297	293
Investment income	9	285	5	11	301	260
Hub Income	10	695	-	-	695	592
Other Income		282	10	-	292	640
Total incoming resources		11,029	15	11	11,055	11,056
Expenditure On:						
Charitable activities						
Members & Prospective Members	11	(2,320)	-	-	(2,320)	(2,421)
Education and Qualifications	11	(1,230)	-	-	(1,230)	(1,318)
Employer Engagement	11	(224)	-	-	(224)	(397)
Innovation & Leadership	11	(3,380)	(17)	(37)	(3,434)	(3,859)
Academy	7	(392)	-	-	(392)	(115)
Other						
Trading activities	7	(330)	-	-	(330)	(286)
Hubs Expenditure	11	(3,144)	-	-	(3,144)	(2,957)
Total Expenditure		(11,020)	(17)	(37)	(11,074)	(11,353)
Net (expenditure)/ income before investment gains		9	(2)	(26)	(19)	(297)
Net gains on investments		653	19	41	713	1,145
Net Movement in Funds		662	17	15	694	848
Reconciliation of funds						
Total funds brought forward at 1 January 2017		12,196	192	422	12,810	11,962
Fund balances carried forward at 31 December 2017	22	12,858	209	437	13,504	12,810

The Consolidated SOFA incorporates the income and expenditure account together with the statement of total recognised gains and losses for the year.

All incoming resources were from the continuing activities and the notes on pages 23 to 35 form part of these financial statements .

BALANCE SHEET

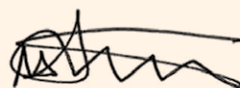
(Group and Institute) as at 31 December 2017

	Note	2017		2016	
		Group £'000	Institute £'000	Group £'000	Institute £'000
Fixed Assets					
Tangible fixed assets	14	1,329	1,286	1,388	1,332
Investment in subsidiary undertakings	15	-	11	-	11
Other investments	16	12,787	12,787	11,831	11,831
Total Fixed Assets		14,116	14,084	13,219	13,174
Current assets					
Debtors	17	868	1,225	872	970
Cash at bank and in hand	18	2,899	2,310	3,141	2,636
Total Current Assets		3,767	3,535	4,013	3,606
Liabilities					
Creditors: amounts falling due within one year	19	4,129	3,762	4,172	3,916
Net Current (Liabilities)/Assets		(362)	(227)	(159)	(310)
Total Assets less Current Liabilities		13,754	13,857	13,060	12,864
Provision for liabilities	21	250	250	250	250
Total Net Assets		13,504	13,607	12,810	12,614
Funds					
General fund	22	12,858	12,959	12,196	12,000
Designated funds	22	437	439	422	422
Total Unrestricted Funds	22	13,295	13,398	12,618	12,422
Restricted income funds	22	209	209	192	192
Total Charity Funds		13,504	13,607	12,810	12,614

The financial statements were approved by the Trustees on 25 April 2018



President
Rebecca Thompson FCIOB
CIOB President 2017/2018



Trustee
Mike Smith FCIOB

CONSOLIDATED STATEMENT OF CASHFLOW

for the year ended 31 December 2017

	Notes	2017	2016
		£'000	£'000
Reconciliation of cash flows from operating activities:			
Net Income		694	848
Adjustments for:			
Depreciation Charges	14	212	231
Gains on Investments	16	(713)	(1,145)
Investment Income	9	(301)	(260)
Decrease in Debtors		4	72
(Decrease)/ Increase in Creditors		(43)	604
Increase in Provisions		-	75
Net cash provided by Operating Activities		(147)	425
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment	14	(153)	(472)
Purchase of Investments	16	(243)	(213)
Receipt of Investment Income	9	301	260
Net cash provided by Investing Activities		(95)	(425)
Net Increase in cash and cash Equivalents		(242)	-
Cash and cash Equivalent at the beginning of year		3,141	3,141
Cash and cash Equivalent at the end of year		2,899	3,141

NOTES TO THE FINANCIAL STATEMENTS

I. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources for estimating uncertainty in the preparation of these financial statements are as follows:

a) Basis of preparation

The Institute is a public benefit entity as defined under Financial Reporting Standard 102 (FRS 102).

These accounts are prepared in compliance with:

- FRS 102, as applicable in the UK & Ireland
- Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102.
- the Charities Act 2011,
- the Charities (Accounts and Reports) Regulations 2008
- the Charities and Trustee Investment (Scotland) Act 2005

The accounts are presented in GB Pounds Sterling

b) Preparation of accounts on a going concern basis

The Trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties in relation to the Institute's ability to continue operating as a going concern. These statements have therefore been prepared on a going concern basis, showing at a group level:

- Total Income for the year of £11,056k (2016: £11,056k) and
- Net Income of £695k (2016: £848k)

c) Consolidation

The group financial statements include a SOFA, balance sheet and statement of cash flows. Together they consolidate the results of the Institute and its wholly-owned trading subsidiaries, Englemere Limited and Englemere Building Consultancy Services (Chongqing) Co Limited on a line by line basis.

d) Estimates and judgements

Management are required to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on both historic experience and current factors that are believed to be reasonable under the circumstances. The results form the basis of current judgements about, for example, any impairment to the carrying values of assets that are not readily apparent from other sources. The matters below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported:

- Expenditure allocations: Expenditure is apportioned where it relates to more than one cost category as detailed within accounting policy h.
- Dilapidations: A full review of the potential liability in relation to dilapidations at the end of the lease has been completed by suitably qualified Trustees see note 21.
- Bad Debt provision: Specific provisions are made where it is unlikely that the Institute will receive payment.

e) Income

Income is recognised when the charity has entitlement to the funds and accounted for on an accruals basis. In particular, subscription income for 2018 received in advance during 2017 is deferred until the criteria for income recognition are met.

f) Fund accounting

The Institute maintains three classes of funds:

- Unrestricted funds is the most substantial category and holds reserves available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been identified for any specific purpose.
- Designated Funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.
- Restricted funds are funds which may only be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. Details of all material restricted funds at the year-end are disclosed as a note to the financial statements.

Transfers between unrestricted funds and designated funds occur when the Trustees approve either funds to be designated for a specific purpose, or where remaining designated funds are no longer required and are released to unrestricted funds.

g) Hubs

The activities and funds of the Institute’s hubs etc. established by the Institute are regarded as those of the Institute itself and are incorporated in the SOFA for current and prior periods as appropriate.

h) Resources expended and basis of cost allocation

All expenditure is included in these accounts on an accruals basis and is recognised when there is a legal or constructive obligation to pay for such expenditure:

- Costs incurred to maintain and develop the objectives of the Institute are attributed directly to charitable activities.
- Costs that are not allocated to these activities are included within the cost of generating funds in the SOFA. These back office support costs include, finance, personnel, payroll and governance. They are apportioned across the activities to which they relate on the basis of cost percentage.
- Governance costs are part of support costs and include items such as external audit, legal advice for Trustees and the cost of Trustee meetings.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Defined contribution pension scheme

The Institute operates a defined contribution pension scheme and the costs in relation to this scheme are charged to the income and expenditure account (within the SOFA) as they are incurred.

j) Leases

Operating lease payments are charged to the SOFA when paid. There were no assets held under finance leases. Lease incentives are spread over the duration of the lease.

k) Tangible Fixed Assets & Depreciation

Tangible fixed assets costing more than £2,500 are capitalised at cost. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives. The annual depreciation rates used are as follows:

Furniture, fixtures and fittings	10% (life of lease)
Equipment including computers	25%
Membership database	20%

l) Investments

The Institute's investment portfolio is managed by external investment managers and is stated at market value. Any realised or unrealised gains resulting from movements in investments and changes in valuations are reflected in the statement of financial activity and are accounted for in the relevant fund. Investments in subsidiary undertakings are held at cost.

m) Foreign currency funds and transactions

Assets, liabilities and transactions recorded in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at fair value. There is no loan funding in the Institute balance sheet.

2. MEMBERSHIP SUBSCRIPTIONS

	2017	2016
	TOTAL £'000	TOTAL £'000
Renewals	7,764	7,673
New Members	443	428
Total	8,207	8,101

3. EXAMINATIONS AND OTHER FEES

	2017	2016
	TOTAL £'000	TOTAL £'000
Membership Fees & Certification	287	317
Interviews Income	346	224
Examinations & Education Income	279	319
Other	7	14
Total	919	874

4. CHARTERED BUILDING COMPANY SCHEME

	2017	2016
	TOTAL £'000	TOTAL £'000
Chartered Building Company fees	179	178
Chartered Building Consultancy Fees	55	54
Joining fees	8	5
Total	242	237

Membership dues received in advance of the year to which they relate are held as deferred income in the balance sheet and released in January of the following year. CBC subscriptions are also booked as deferred income and then released to income over the length of membership.

5. REPORTING FINANCIAL PERFORMANCE OF THE INSTITUTE AND GROUP

The consolidated SOFA includes the results of the Institutes two wholly owned subsidiaries:

- Note 6: Englemere Building Consultancy Services (Chongqing) Co Ltd
- Note 7: Englemere Ltd

6. ENGLEMERE BUILDING CONSULTANCY SERVICES (CHONGQING) CO LTD

Englemere Building Consultancy Services (Chongqing) Co Ltd is a wholly-owned subsidiary, incorporated in the Peoples Republic of China, through which the Institute manages its Chinese charitable activities.

Profit and Loss Account of Englemere Building Consultancy Services (Chongqing) Co Limited

	2017	2016
	TOTAL £'000	TOTAL £'000
Turnover	384	353
Cost of sales	(357)	(324)
Operating Profit	26	29
Retained loss brought forward	251	222
Retained profit carried forward	278	251

Balance Sheet of Englemere Building Consultancy Services (Chongqing) Co Limited

	2017	2016
	TOTAL £'000	TOTAL £'000
Fixed Assets	3	3
Current Assets		
Debtors	17	17
Cash at bank & in hand	467	402
Total Assets	487	422
Creditors: amounts falling due within one year	(199)	(161)
Total Net Assets	288	261
Capital and Reserves	10	10
Share Capital	278	251
Profit & Loss Account	288	261

7. TRADING TURNOVER: ENGLEMERE LTD

Englemere Ltd is a wholly owned subsidiary company, incorporated in England and Wales, company number 2193639. It manages the CIOB Academy training together with conferences and events on behalf of the Institute and also provides member benefit services to members.

Englemere Ltd's directors during 2017 were Christopher Laing, Christopher Blythe OBE, Geoffrey Wright and Robert Heathfield.

Profit & Loss Account of Englemere Limited

	2017	2016
	TOTAL £'000	TOTAL £'000
Income From:		
Charitable Activities	102	59
Trading Activities	297	293
Total Income	399	352
Expenditure On:		
Charitable Activities	(392)	(115)
Trading Activities	(293)	(235)
Cost of sales	(685)	(349)
Gross Profit	(286)	3
Other operating charges	(37)	(51)
Operating Loss	(323)	(48)
Taxation	-	-
Loss after taxation	(323)	(48)
Retained loss brought forward	(55)	(6)
Retained loss carried forward	(378)	(54)

Balance Sheet of Englemere Limited

Fixed Assets	43	53
Current Assets		
Debtors	110	92
Cash at bank & in hand	122	104
Total Assets	257	249
Creditors: amounts falling due within one year	(652)	(303)
Total Net Assets	(377)	(54)
Capital and Reserves		
Called up share capital	1	1
Profit & Loss Account	(378)	(55)
	(377)	(54)

8. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000
Income From:					
Charitable activities					
Member Subscriptions	2	8,101	-	-	8,101
Examinations and other fees	3	874	-	-	874
Chartered Building Company Scheme	4	237	-	-	237
Academy Income	7	59	-	-	59
Other Trading Activities					
Trading Turnover: Englemere Ltd	7	293	-	-	293
Investment income	9	246	5	9	260
Hub Income	10	592	-	-	592
Other Income		640	-	-	640
Total incoming resources		11,042	5	9	11,056
Expenditure On:					
Charitable activities					
Members & Prospective Members	11	(2,421)	-	-	(2,421)
Education and Qualifications	11	(1,318)	-	-	(1,318)
Employer Engagement	11	(397)	-	-	(397)
Innovation & Leadership Academy	7	(3,762)	(58)	(39)	(3,859)
Academy	7	(115)	-	-	(115)
Trading activities					
Trading activities	7	(286)	-	-	(286)
Hubs Expenditure	11	(2,957)	-	-	(2,957)
Total		(11,256)	(58)	(39)	(11,353)
Net (expenditure)/Income before investment gain		(214)	(53)	(30)	(297)
Unrealised gain on investment assets		1,068	26	51	1,146
Net income/(expenditure)		854	(27)	21	848
Taxation on profit of trading subsidiary		-	-	-	-
Transfer between funds		-	-	-	-
Net Movement in Funds		854	(27)	21	848
Reconciliation of funds					
Total funds brought forward at 1 January 2016		11,342	219	401	11,962
Fund balances carried forward at 31 December 2016	22	12,196	192	422	12,810

9. INVESTMENT INCOME AND INTEREST

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Designated Funds 2017 £'000	Total Funds 2017 £'000	Total Funds 2016 £'000
Income from investment portfolio	284	5	11	300	252
Interest receivable from cash on deposit	1	-	-	1	8
	285	5	11	301	260

10. OTHER INCOMING RESOURCES

	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Designated Funds 2017 £'000	Total Funds 2017 £'000	Total Funds 2016 £'000
Project Income	-	-	-	-	14
Surplus on Sale of Fixed Assets	-	-	-	-	400
Other Income	282	10	-	292	226
	282	10	-	292	640
Hub Income	311	-	-	311	239
Englemere Chongqing (note 6)	384	-	-	384	353
	695	-	-	695	592

11. ANALYSIS OF CHARITABLE EXPENDITURE

	Members & Prospective 2017 £'000	Education & Qualifications 2017 £'000	Employer Engagement 2017 £'000	Leadership & Innovation 2017 £'000	Hubs Expenditure 2017 £'000	Total 2017 £'000	Total 2016 £'000
Direct Costs	1,266	671	122	1,875	1,879	5,813	6,390
Staff costs	446	237	43	661	536	1,923	1,540
Support Costs	608	322	59	898	729	2,616	3,022
	2,320	1,230	224	3,434	3,144	10,352	10,952

Support costs are apportioned across the activities to which they relate on the basis of percentage of overall direct cost.

Included within support costs are Governance Costs which comprise:	2017 £'000	2016 £'000
Fees payable to the Institute's auditors for the statutory audit	30	30
Trustees' expenses reimbursed	52	18
Other Governance (Staff Costs)	90	101
	172	149

Support and Governance costs include the following Auditors remuneration:	2017 £'000	2016 £'000
Fees payable to the Institute's auditors for the statutory audit	30	30
Fees payable to the Institute's auditors for tax advisory services	6	8
Fees payable to the Institute's auditors for other services	12	9
	48	47

12. STAFF COSTS

	2017	2016
	£'000	£'000
Salaries	3,748	3,618
National Insurance costs	363	323
Pension	247	201
Group staff costs	4,358	4,142
Charged to the CIOB Benevolent Fund Ltd and trading subsidiaries	(54)	(54)
Institute Staff Costs	4,304	4,088

	2017	2016
	Number	Number
The average number of employees in Institute	113	115
The average number of employees in Group	123	121

Number of employees whose emoluments were over £60,000

£60,000–£69,999	3	
£70,000–£79,999	1	1
£80,000–£89,999	3	2
£90,000–£99,999	1	2
£100,000–£109,999		1
£110,000–£119,999		
£120,000–£129,999	1	
£130,000–£139,999		
£140,000–£149,999		
£150,000–£159,999	1	
£160,000–£169,999		1

The total remuneration and benefits received by the Management Board was £823k (2016:£765k). There are adequate systems in place to manage expenses and these do not form part of remuneration.

In respect of the above employees, contributions for the year into a defined contribution scheme totalled £89,778 (2016:£56,520) with retirement benefits accruing for 5 directors. (2016:6).

Compensation amounts of £21,205 were paid during the year in accordance with the Institute policy (2016:£3,607)

13. TRUSTEES

The Institute's Trustees receive no remuneration from the institute for trustee related duties. Their travel and other expenses reimbursed during the year for attending council meetings amounted to £9,470.71 (2016: £18,044). No trustee waived their entitlement to reimbursement. A list of the trustees who received reimbursement of expenses is shown on page 4.

Professional Indemnity and Trustee insurance was provided during 2017 at a cost of £4,216 (2016: £4,370).

14. TANGIBLE FIXED ASSETS

Institute and Group	Furniture & Equipment £'000	Membership Database £'000	Institute Totals £'000	Group Totals £'000
Cost or valuation				
At 1 January 2017	1,578	745	2,323	2,390
Additions during the year	15	137	152	153
At 31 December 2017	1,593	882	2,475	2,543
Depreciation				
At 1 January 2017	673	318	991	1,002
Provided during the year	178	20	198	212
At 31 December 2017	851	338	1,189	1,214
Net book value				
At 31 December 2017	742	544	1,286	1,329
At 31 December 2016	905	427	1,332	1,388

The new Membership Database has not been depreciated as it is was under implementation and not available for use at the end of December 2017. Assets held in subsidiaries comprise of a database.

15. INVESTMENT IN SUBSIDIARY UNDERTAKINGS - INSTITUTE

	2017 £'000	2016 £'000
1,000 ordinary shares of £1 each in Englemere Limited (formerly Englemere Services Ltd)	1	1
10,000 ordinary shares of £1 each in Englemere Building Consultancy Services (Chongqing) Co Ltd	10	10
	11	11

16. OTHER INVESTMENTS - GROUP AND INSTITUTE

	TOTAL £'000
At market value	
At 1st January 2016	11,831
Net Additions and distributions re-invested	243
Change in Market Value	713
At 31st December 2017	12,787

The Institute views the portfolio as a single class of investments, albeit that the composition of the portfolio at the balance sheet date is as set out in the market value analysis table.

Findlay Park American Fund	5.0%
Madje UK Equity Fund	7.0%
Trojan Income Fund	6.0%
The Equity Income Trust for Charities	8.0%

The managed investment portfolios were invested as at 31 December 2017 as follows:

	Market Value £'000	Total Cost £'000
UK Bonds	868	846
Overseas Bonds	434	1,055
UK Equities	4,374	3,574
Overseas Investments	3,809	2,600
Portfolio Funds	1,581	1,368
Property Funds	551	469
Other Investments	275	277
Cash	895	855
Totals	12,787	11,044

Total investments at market value of the managed investment portfolio include £209k (2016: £192k) of those related to a restricted fund, the Queen Elizabeth II Jubilee Fund and Sir Ian Dixon Fund.

17. DEBTORS

	2017		2016	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Trade Debtors	132	76	132	71
Amount owed by trading subsidiary	-	484	-	206
Other debtors	166	167	203	203
Prepayments and accrued Income	570	498	537	490
	868	1,225	872	970

18. CASH AT BANK & IN HAND

	2017		2016	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Cash at Bank and In Hand	2,899	2,310	3,141	2,636
	2,899	2,310	3,141	2,636

19. CREDITORS FALLING DUE WITHIN ONE YEAR

	2017		2016	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Trade Creditors	466	383	630	568
Tax & Social Security	127	103	122	98
Other creditors	251	248	359	323
Accruals and deferred income	3,285	3,029	3,061	2,927
	4,129	3,762	4,172	3,916

20. DEFERRED INCOME

	2017		2016	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Deferred income 1 January	2,716	2,620	2,456	2,456
Income received and deferred	2,970	2,620	2,716	2,620
Taken to SOFA	(2,716)	(2,620)	(2,456)	(2,456)
Total	2,970	2,620	2,716	2,620

21. Provision for Long Term Liabilities and Charges

	2017		2016	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Dilapidations brought forward	(250)	(250)	(175)	(175)
Dilapidation additions	-	-	(75)	(75)
Dilapidations carried forward	(250)	(250)	(250)	(250)

Provisions relate to dilapidations on leasehold properties where the Institute has a contractual obligation to bear such costs. The provision for these costs is based on the results of an internal review by suitably qualified Trustees. The dilapidations will become payable on lease terminations.

22. Movement of Funds

	Unrestricted Funds				Restricted Funds				Totals
	General (Group)	Bowen Jenkins	Other Designated	Total Designated	QE II Jubilee	Sir Ian Dixon	Sir Peter Shepherd	Total Restricted	
	A	B	B		Ca	Cb	Cb		
See Notes below:	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1st January	12,196	413	9	422	191		1	192	12,810
Income	11,682	52	-	52	24	10	-	34	11,768
Expenditure	(11,020)	(37)	-	(37)	(9)	(5)	(3)	(17)	(11,074)
	12,858	428	9	437	206	5	(2)	209	13,504

Notes

- A. General Fund: This is the institutes main fund, used to further its general charitable activities.
- B. Designated Funds: Bowen Jenkins and other designated funds are unrestricted bequests whose use is specified by the trustees. Funding is available for expenditure on scholarships and other activities as decided upon by the Board of Trustees each year. These reserves are represented by a mixture of the CIOB's portfolio investment and cash.
- C. Restricted Funds: Assets held in respect of the following restricted income funds are sufficient to meet the Institutes' obligations:
 - a) The Queen Elizabeth II Jubilee Fund provides research scholarships and awards. These will make a practical and lasting contribution towards the improvement of standards in building practice and education. The funds are invested to allow scholarships from income and capital growth.
 - b) Sir Ian Dixon and Sir Peter Shepherd funds both offer scholarships to students, the latter specifically to those from overseas. Funds are held as cash.

23. NET ASSET ANALYSIS, BY FUND

The fund balances described in Note 23 above were represented by the following assets as at 31 December:

Category of fund:	2017				2016			
	£'000 Unrestricted	£'000 Designated (Inc Bowen Jenkins)	£'000 Restricted (Inc Jubilee)	£'000 Total	£'000 Unrestricted	£'000 Designated (Inc Bowen Jenkins)	£'000 Restricted (Inc Jubilee)	£'000 Total
Tangible Fixed Assets	1,329	-	-	1,329	1,388	-	-	1,388
Other Investments	12,141	437	209	12,787	11,225	414	192	11,831
Cash at bank and in hand	2,899	-	-	2,899	3,134	8	-	3,141
Other net current asset/liabilities	(3,261)	-	-	(3,261)	(3,300)	-	-	(3,300)
Provisions	(250)	-	-	(250)	(250)	-	-	(250)
Totals	12,858	437	209	13,504	12,197	422	192	12,810

24. LEASING COMMITMENTS

The groups future minimum operating lease payments expire as follows:

	Land and Buildings	
	Total 2017 £'000	Total 2016 £'000
Within one year	358	358
Between one and five years	1,434	1,434
Over five years	677	1,036
Totals	2,469	2,828

25. CAPITAL COMMITMENTS

The group had no capital commitments as at 31 December 2017 or 31 December 2016.

26. RELATED PARTY TRANSACTIONS

There were no related party transactions to disclose in 2017 (2016: none).



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