



**CIOB**  
THE CHARTERED INSTITUTE OF BUILDING

# 2016

ANNUAL REVIEW  
& ACCOUNTS





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*\*These sections form part of the Report of the Trustees*

## Reference and administrative details

<b>Charity number</b>	England & Wales 280795, Scotland SCO41725
<b>Head office:</b>	1 Arlington Square, Downshire Way, Bracknell, Berkshire, RG12 1WA (This is also the registered office of Englemere Limited)
<b>Auditors:</b>	Grant Thornton UK LLP, Grant Thornton House, Melton Street, London, NW1 2EP
<b>Bankers:</b>	HSBC Bank Plc, 70 Pall Mall, London, SW1Y 5EZ
<b>Solicitors:</b>	DAC Beachcroft LLP, 100 Fetter Lane, London, EC4A 1BN
<b>Investment managers:</b>	Brewin Dolphin, Investment Management Division, 12 Smithfield Street, London, EC1A 9BD Cazenove Capital Management Limited, 12 Moorgate, London EC2R 6DA



**I firmly believe that ethics is at the heart of what it means to be a professional.**



## President's Foreword

2016 was an extraordinary year in the political world and the full impact of the changes that took place both in the UK and internationally are yet to be felt.

Whilst the future may be uncertain, professional bodies, such as the CIOB, continue to have a key role to play in industry and society; setting and maintaining standards of professionalism, providing access to education and knowledge, and ensuring that the issues that affect our industry are brought to the attention of politicians and policy makers.

In 2016 we launched the CIOB Academy to help our members prepare for the future by providing them with the skills and knowledge that are needed, as professionals, to succeed in a modern, progressive industry.

My year as President has had a strong focus on promoting the value of professionals and professional bodies and the behaviours that define what it means to be a professional. Central to that is the role of ethics.

I firmly believe that ethics is at the heart of what it means to be a professional, and judging by the response to the work that we are doing to simplify and launch a new CIOB Code of Conduct in 2017, our members agree.

Alongside other professional bodies we have also supported the development and implementation of the first set of globally recognised ethics standards for property and related professional services.

And as part of our commitment to raising standards, the CIOB Academy has launched the industry's first Massive

Open Online Course (or MOOC for short) on ethics and compliance, which is free and globally available.

In the last year the CIOB has been at the forefront of the debate on some of the key issues that affect our industry. Issues such as productivity, social mobility and modern slavery, which we continued to highlight with the publication of our report entitled 'Building A Fairer System'.

We identified how workers from developing countries become tricked or coerced into paying illegal and extortionate recruitment fees, and, once in debt, become vulnerable to exploitation in their place of work. To eradicate unfair labour systems we are calling for greater industry collaboration. But that is not enough and we are going beyond by producing a toolkit to help clients, contractors and consultants to combat the issue of modern slavery in their supply chains.

We are all responsible for the reputation of this industry and for the wellbeing of the people who work within it. By driving more rigorous ethical standards and challenging corrupt practices we can make a difference for our industry and for society.

Paul Nash MSc FCIOB  
CIOB President 2016/17  
28 April 2017

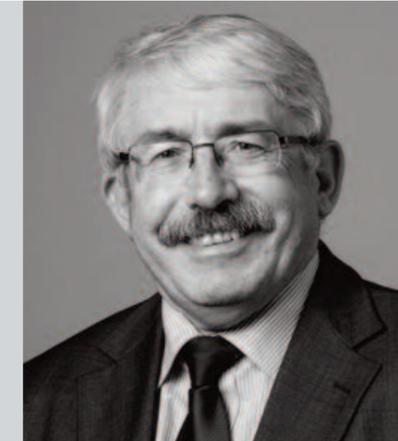
## Chief Executive's Report

In 2016 we began the rollout of the new regional structure. 2016 saw that take place in Europe and we continue the process in 2017.

Under the banner of One CIOB, the process followed an extensive consultation with members. It was a member driven response to a need to change how we engage with and service all members in the most effective way possible. It was also driven by the clear need to see the responsibility of moving the Institute forward at a local level into new hands.

One of the strengths of the Institute is the unrelenting commitment of members at a local level. Service in the order of 30, 40 or even 50 years is not uncommon. On behalf of the Institute I would like to offer my thanks for such efforts. As the construction industry changes so we must ensure that we stay relevant. We are involved in what seems like a never ending relay race. In a relay race the baton gets passed on at the end of each leg and through One CIOB the clear expectation is that the baton will be handed on more often than previously.

In recognition of the changing world and the need to have a different solution to a problem, we launched the CIOB Academy late in 2016. A challenge for the industry in these difficult times is leadership. A key role of the academy is to prepare people for leadership roles in the industry. One element of this is the work we have been doing on making Fellowship an examined grade but with a focus on leadership. It differentiates quite well from MCIOB where the focus is on management. The feedback from those who have gone through the new fellowship route has been positive. All have found it challenging and thought provoking and a seriously positive approach for the CIOB. Again our thanks go to all those fellowship candidates who took part in the pilot for their commitment, and to all the members who worked so hard delivering it especially as the whole process has gone through an external assessment process.



**We had our highest ever level of non-chartered members upgrading to MCIOB.**



Much was made of the grade review last year. I am pleased to report that we had our highest ever level of non-chartered members upgrading to MCIOB. It is even more remarkable considering how busy everyone in the industry is at the moment. It is vital that as a chartered body our members are predominantly chartered. I would urge all who can upgrade to do so. As the president said in his report, we have been doing a lot of work on what it means to be a professional and becoming chartered is that first step of being a professional in every sense of the word.

In closing I would just like to offer my thanks to the Officers and Trustees who do an immense job in providing the governance for what is becoming an increasingly more complex operation and the directors and staff of the Institute who are some of the most committed people I have had the pleasure to work with and are continually looking at ways to improve how we work. It is a sobering thought that as we review our current corporate plan progress the next cycle takes us to the end of the first quarter of the 21st Century. Being relevant to the industry and the people who work in it remains the overall challenge.

Chris Blythe OBE  
Chief Executive  
28 April 2017



## 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 2016.

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

### Key Management Personnel January 2016 – 11 July 2016

#### OFFICERS:

President:	Chris Chivers FCI OB
Senior Vice President:	Paul Nash FCI OB
Vice President:	Rebecca Thompson FCI OB
Vice President:	Chris Soffe FCI OB
Chief Executive:	Chris Blythe

#### ELECTED TRUSTEES: Expiry of Term

Jamie Barrett FCI OB	(2017)
Nigel Croxford FCI OB	(2018)
Ray Ford FCI OB	(2017)
Paul Gandy FCI OB	(2016)
Christine Gausden FCI OB	(2018)
Henry Lamb FCI OB	(2016)
Gavin Maxwell-Hart FCI OB	(2018)
Michael Smith FCI OB	(2017)

#### SELECTED TRUSTEES: Expiry of Term

Michael Foy FCI OB	(2017)
Philip Hynard FCI OB	(2017)
Stephen Lines FCI OB	(2018)
Jason Margetts FCI OB	(2016)

### Key Management Personnel 11 July 2016 – June 2017

#### OFFICERS:

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

#### ELECTED TRUSTEES: Expiry of Term

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

#### SELECTED TRUSTEES: Expiry of Term

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

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 2016

#### OFFICERS:

Chief Executive	Chris Blythe OBE
Deputy Chief Executive	Bridget Bartlett
Finance Director	Joanna Quirk (from March 2016) Stephen Chaytow (interim until March 2016)
Commercial Director	Jacqueline Balian
Director of Corporate Services	Ray Ellison
Director of Operations	Amy Gough

Biographies of current Directors can be found at [www.ciob.org/staff](http://www.ciob.org/staff).

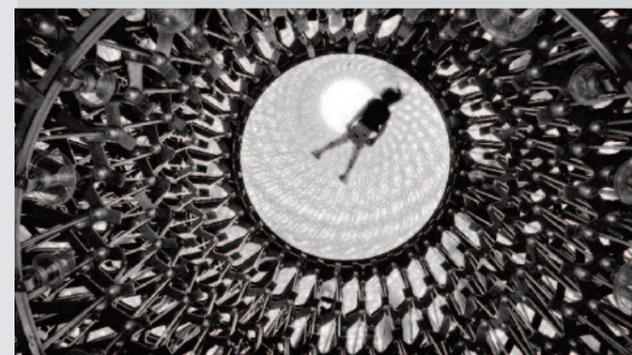
### Structure, Governance and Management

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 co-opted members 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.

[www.ciob.org/about/governance](http://www.ciob.org/about/governance).



Biographies of current Trustees can be found at [www.ciob.org/trustees](http://www.ciob.org/trustees).

“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.”



**The Chairs of Committees from 2015 until 2017 are:**

	2015 – 2016	2016 – 2017
<b>Nominations</b>	Michael Foy FCIQB	Michael Foy OBE FCIQB
<b>Audit and Risk</b>	Nigel Croxford FCIQB	Nigel Croxford FCIQB
<b>Remuneration</b>	Gavin Maxwell-Hart FCIQB	Gavin Maxwell-Hart FCIQB
<b>Resources</b>	Paul Nash FCIQB	Rebecca Thompson FCIQB

**Appointment of Trustees**

Our Board of Trustees is made up of 16 Corporate Members (MCIQB or FCIQB). The Board can co-opt up to two members under Bye-Law 67. There were no co-options for the year of 2016.

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 is comprised of eight persons elected by Chartered members. In addition, four persons are selected to the Board, 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 three elected positions in 2015 and two elected positions in 2016.

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 2016 one person was selected. Trustees are eligible for re-selection if two consecutive terms have not been served. 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 & 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.

**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 2016, together with the approach to management and mitigation:

- The launch of One CIOB in May 2016 was identified as a key risk in relation to the impact this could have on membership. To mitigate any fall out the Institute undertook extensive member consultation and research prior to launch and an extensive communication plan during the launch including roadshows and webinars.
- 2016 saw the launch of the CIOB Academy. As a new area of operation the key risks have been identified as competition on offering and price resulting in failure to achieve viable learner numbers and to attract funding. 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.
- There is the perennial issue of the uncertainties that exist when operating globally. The nature of the risks varies but includes political, exchange rate fluctuation as well as ethical. These could all have an impact on the institute's reputation which underpins the qualification. Appropriate measures are in place to ensure the effects of these risks is minimised, for example, billing in sterling.

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.

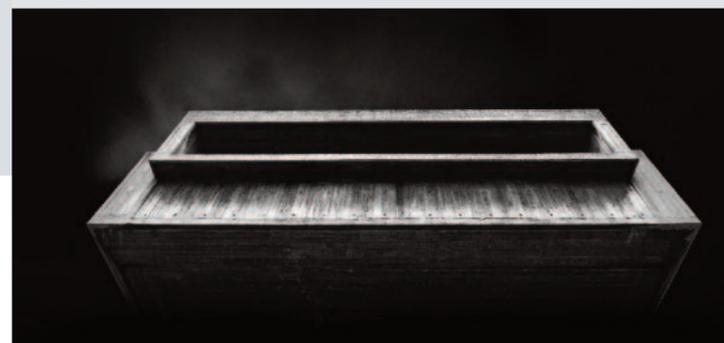
**Executive Remuneration and Pay Policy**

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.

The 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.





## Principal Objectives

The Institute promotes for the public benefit, the science and practice of building and the advancement of public education in the science and practice of building, including research.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing objectives and activities which are described below.

### 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 PURPOSE

To represent, train, develop and continuously support excellent leaders in the industry

### OUR VALUES

To strive for excellence in everything we do; respectfully, honestly and with the highest degree of integrity

### Our key objectives for 2016 were:

#### Excellence

To help our members and others achieve excellence in Construction Management through the creation of excellent training, knowledge and certification.

#### Growth

To grow the number of Chartered members to increase the pool of expertise available to the construction industry.

#### Career Support

To help everyone in construction develop their careers, regardless of their starting point. Pursue online learning and reinvigorate our research capacity to deliver high quality CPD, journals and publications.

#### Raise Awareness

To embed the value of Chartered Construction Manager and raise awareness of the industry. Develop products for industry clients including conferences and training.

#### Maximise Efficiency

Restructure the Institute to maximise efficiency utilising the latest technology to improve our effectiveness.

## 2016 Objective: Excellence

For decades the CIOB has set Educational Standards, supporting people in construction and given access to a professional career through membership.

But with unprecedented skills shortages and an uncertain future regarding the availability of migrant labour, the CIOB has created an Academy for industry to ensure the opportunity to educate, train and develop their staff.

Focusing on excellence, the Academy's courses and certifications will produce well rounded professionals across disciplines. The Academy's offer is a mixture of qualifications leading to Chartered status as Member or Fellow of the Institute, short and long courses on issues specifically identified by industry and certifications where an individuals' occupational competence is verified by the CIOB.

Our initial offering is designed to provide solutions to the current challenges faced by the industry:

- **Recruitment:** Conversion courses are available for new entrants from non-built environment education and from the Armed Forces.
- **Retention and support for Diversity:** Leadership and management courses for those in the talent pipeline and those aspiring to Board roles.
- **Technology:** A BIM certification for Technicians and Managers.

Our approach is simple, we are working closely with the industry to deliver the outcomes they and their people want to achieve. Our practical approach to learning underpinned by rigorous standards of the CIOB produces the best results.

The Academy is overseen by a Board Chaired by Past President of the CIOB, Professor Roger Flanagan, and is made up of representatives from industry and academia. It was formally launched on 13 December 2016 and warmly received by a broad range of stakeholders.

Outside of the Academy we commissioned, at the request of the Chinese government, the development of a professional certificate programme for our members in China in international construction management. The programme is designed to support the China 'one belt one road' initiative and will give learners a comprehensive understanding of international practice. The new programme is to be delivered in 2017 by a number of top universities in China as well as one of the largest industry training organisations, Beijing Changping Project Management Training Centre of the China Construction Industry Association.

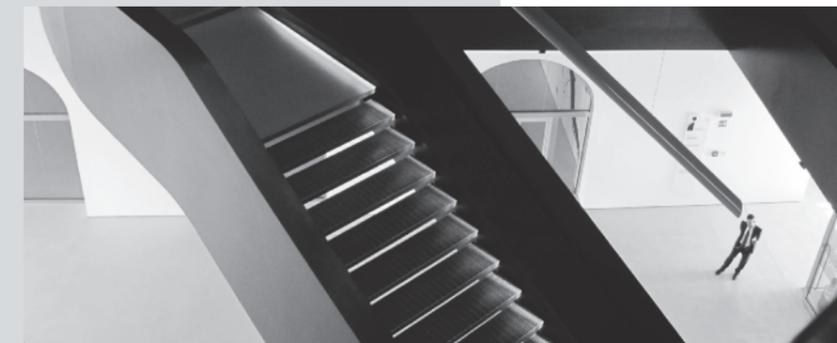
Back in the UK, we launched a new apprenticeship in Wales in Construction Site Management which is proving to be very popular. We continue to work with a consortium of employers to implement a new Degree Apprenticeship in Construction Management that can be delivered by universities in collaboration with employers in England. It is anticipated that this degree apprenticeship will be available in the autumn of 2017.

We continue to influence and input into education policy through a committee of key stakeholders from the industry, education, awarding organisations, schools and government. Within the year we contributed to the Sainsbury Review of Professional and Technical Education and the Government skills plan for post 16 technical education. The proposed technical routes for post 16 education will include a construction route and the CIOB continues to promote professional career pathways in construction for the next generation.

Our review of the 14-19 standards that underpin qualifications in construction has ensured digital technologies and sustainability are core to all qualifications in built environment subjects.

Reaching the next generation remains an important part of our work. In September we launched the 2016 Pupil Challenge designed for the 14-19 age range and rolled out to schools throughout the UK. The challenge, which we also promoted at exhibitions in the UK, is about designing an office for the future and it features content by CIOB Novus Member, Craig Abraham as well as other teacher and learner resources. So far this has been our most popular challenge with over 50 submissions. More details of the challenge can be found on Google by searching 'CIOB My Kinda Future'.

2016 saw the completion of the final pilot for the new Fellowship route. Over 50 candidates took part in 3 pilots in 2016 and the feedback from both the candidates and the assessors has been very positive. The pilots were made up of a broad range of professionals including senior industry practitioners, academics, specialists and consultants and the pilots brought in record numbers of female fellows. During the pilots, benchmarking work was carried out by a specialist expert agency, UK NARIC. The results of the benchmarking work will be published in 2017 after which the new process will be implemented.





## 2016 Objective: Growth

By the end of the year (31 December 2016) total membership stood at 46,851, which includes 3,540 Fellows, 17,506 Members, 10,010 Incorporates, 4,414 Associates, and 8,301 Students. The Applicant grade reached 3,080.

Upgrades to Chartered membership in 2016 performed extremely well exceeding the 1,000 target with a fairly even split between candidates upgrading from the Incorporated and Associate grades vs Applicants. Chartered membership now stands at over 21,000.

Over 300 candidates enrolled on our Chartered Membership Programme in 2016. This is the largest number on record. Several new centres have started to deliver the programme including universities such as University College of Estate Management as well as further education colleges and training providers like the new CIOB Academy. The external examiners have been impressed by the quality of the candidates' exam papers and the high satisfaction levels amongst learners.

Other popular routes include the NVQ7 however, the Professional Review Industry route received the highest number of applications accounting for 66% of all Chartered Member upgrades.

2016 was also the year that our Chartered Building Companies and Consultancies transitioned over to the new scheme rules. By 30 September 2016 deadline 73% had adopted the new rules and by the end of the year we welcomed 20 new CBCs. Total scheme numbers for 2016 stood at 492.

Our Training Partnerships also became increasingly popular in 2016 with a 11% growth in the number of companies participating which reached 471 by the end of the year. We welcomed our first Training Partnerships in India bringing our International Partnerships to a total of 30. Within 2017 we will work even closer with employers.



## 2016 Objective: Career Support

With our Academy's launch happening so close to Christmas we gave a gift to the industry including our members worldwide: a free MOOC (Massive Online Open Course) on Ethics and Compliance. This topic is central to professionalism and is under increasing scrutiny following incidents such as 'the Panama Papers'.

Large fines for companies are becoming a monthly occurrence and it is imperative that there is a better understanding of the issues in our industry. The five week course is available online and achieved in excess of 1500 registrations from across the globe. To date 750 learners have started the course. Further topics are planned for 2017.

Like most professional bodies, we believe lifelong learning is essential for members to keep up to date with the latest developments and knowledge in their field, commonly referred to as Continuing Professional Development (CPD). We are not prescriptive and believe that members are in the best position to know how best to keep their skills up to date.

However, we do expect members to keep a record on their membership profile of their CPD activities, which we monitor as a condition of membership. In 2016 we began to make changes so that it is clearer what the requirements are and we have launched CPD guidance for our local operations so that we ensure the learning they deliver is valuable and enhances a member's occupational knowledge and skills. At the same time, we launched a pilot internally for quality assuring our CPD offering.

By the end of 2016 more than 16,000 users were registered in our CM CPD Portal with 2700 CPDs taken each month. This makes it the largest single source of CPD for membership and a valuable conduit for those professionals outside of the CIOB who want access our knowledge. The most popular CPD sessions included technical articles on subjects such as Masonry and Concrete Fixings, management packages on Leadership Development and importantly how to stamp out illegal working.

It is with some pride that we publish two of the most read and influential titles in the industry so that members have sustained access to valuable news and insight. Our Construction Manager magazine is the largest circulation construction magazine in the UK, with almost twice the audience (30,492) of its nearest rival. Online the magazine ([www.constructionmanagermagazine.com](http://www.constructionmanagermagazine.com)) continues to go from strength to strength with 468,451 visits recorded in the year, which represents an increase of 4.1% on 2015.

The appetite for international news that can help readers stay informed of the latest business trends has never been higher. Our Global Construction Review ([www.globalconstructionreview.com](http://www.globalconstructionreview.com)) witnessed record growth in 2016 with a 51% spike in visits to the website, taking it past 715,000 for the year. Major news outlets like the BBC and Bloomberg have referenced GCR stories which highlight its credibility beyond membership. Within the stable of CIOB magazines, members also have access to the leading industry news portal covering Building Information Modelling, called BIM Plus. Launched in 2014 the website grew its readership and reach over the last twelve months by 24% engaging on average 18,000 readers a month.

“ Like most professional bodies, we believe lifelong learning is essential for members to keep up to date with the latest developments and knowledge in their field. ”

## 2016 Objective: Raise Awareness

A core objective in 2016 was to raise awareness of the value of the construction industry in the wider economy. This value is often recognised by professionals working in the sector but less understood by those outside it.

Policy and public affairs activity has been at the fore of this activity, ensuring the CIOB has a unique and balanced voice across a number of policy areas including ethics and modern slavery, productivity and social mobility.

Our July report, *Building a Fairer System: Tackling Modern Slavery in Construction Supply Chains*, set out to examine the root causes of modern slavery in construction and detailed actions to move the industry towards greater transparency. The culmination of this work will take shape in 2017 with the launch of a modern slavery toolkit and collaborative programme for the construction industry and its supply chain.

Productivity and social mobility, two prevalent themes identified in our 2015 *Understanding the Value of Professionals and Professional Bodies* report, also received further examination. Both topics focused on construction's ability to deliver social and economic value to wider society; something that is often missed. So while construction must improve its own productivity and role in society, it must improve them in such a way that enhances whole nations. Our role is to make sure that the understanding of this is at the heart of any policy making and we will continue to make the industry's voice heard as we move this agenda forward.

Following this sustained initiative Chris Blythe, CIOB Chief Executive was awarded an OBE for services to the 'Construction Industry and the Government'. Which reflects on the positive work of the CIOB and the importance of the industry.

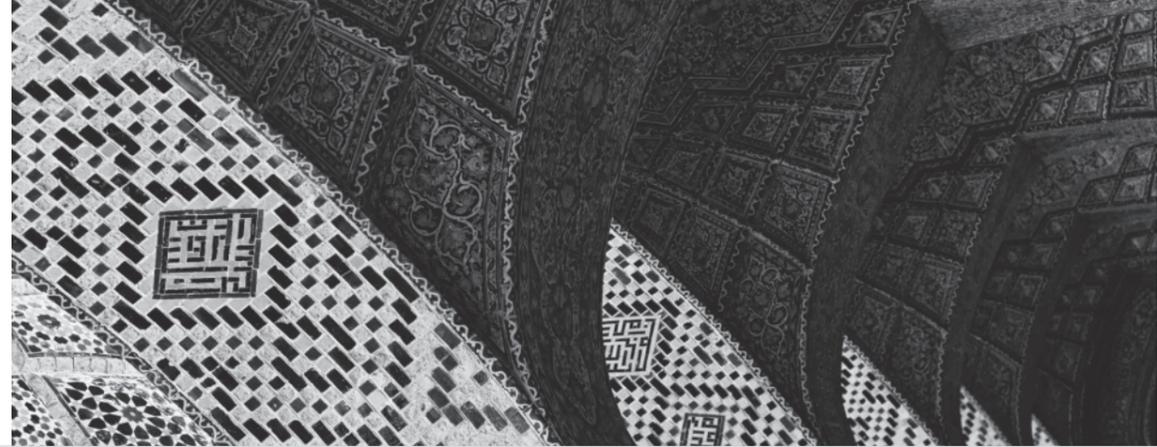
Against a changing political landscape in the UK we have built much greater partnerships alongside our sister institutes like the RICS and RIBA. This is evident through our activities at the UK political party conferences in the autumn and our role in the formation of a cross-industry leadership group to help shape construction's voice in the UK Government's Brexit negotiation.

With advice from the Danish Architecture Centre we developed the industry's first construction management Minecraft (a 3D block building game with millions of players worldwide) Lessons to engage 12-14 year olds.

These lessons can be used anywhere in the world and have been designed so that teachers and non-teachers can lead immersive lessons in Minecraft. They leave students with a greater understanding of the role maths, planning, community engagement and teamwork play in a modern construction industry while introducing some important sustainability and technology themes along the way. You can Google 'CIOB Minecraft Lessons' for further information.

Attracting people from different backgrounds into a career in construction is an ambition shared by the whole industry. In 2016 we campaigned to attract more military leavers into construction management careers. Making those leaving the armed forces aware of how their skills are valued by the industry and the opportunities that exist. We also continued to support the BuildForce initiative.

An important event in the calendar is the annual Members' Forum, held in Hong Kong in July 2016. This event brings together members from all over the world to discuss the progress of the Institute and consider plans for the future, and included the delegates of the CIOB Global Student Challenge, making it the largest Members' Forum to date.



Our Art of Building campaign, now its 7th year, has cemented itself as the premier digital photography competition to celebrate the built environment.

On the final day of Members' Forum an external conference entitled 'Constructing the Future – A Global Perspective' was held. This conference covered three main themes: the economic outlook and its implications on the construction industry; the role of innovation in construction today and the challenge of improving productivity in the industry; and best practice in the delivery of major programmes and projects, which included a case study of the 'One Belt One Road' initiative in China. The conference was opened by Guest of Honour, Paul Chan, Hong Kong Secretary for Development.

Built environment competitions often overlook the fact that people are the most important aspects of a project. Ours don't. The Construction Manager of the Year Awards is the only event of its kind to assess the pivotal role that construction managers play in bringing teams and stakeholders together, creating safe, efficient, productive and harmonious sites.

The 2016 overall winner, Paul Marlow from McAleer & Rushe, earned the coveted Construction Manager of the Year title for his outstanding project at UNITE, Angel Lane, Stratford.

Competing against some of the UK's most talented construction professionals Paul beat 85 other finalists and 10 other gold medallists to become the youngest ever overall winner. These awards continue to attract the best talent in the industry and are celebrated throughout construction. In social media news of what was happening at CMYA reached a potential audience of 5.3million as more than 800 tweets were published during the event.

For many years we have encouraged young people and students to take up a career in construction and fulfil their potential. The next generation will have to be innovative and commercially aware to become leaders in their field. In our Global Student Challenge the contestants run a construction company in a simulated environment using technology developed by Loughborough University. The game takes classroom learning to a different level and tests students from different countries on their knowledge, team work and decision making.

The Challenge is continuing to grow with 45 teams entered in 2016. The last six finalists took part in the competition in Hong Kong in July and in the end Glasgow Caledonian University scooped the £2000 cash prize.

Our Art of Building campaign, now its 7th year, has cemented itself as the premier digital photography competition to celebrate the built environment and the CIOB media event of the year. More than 3,500 entries were received from every corner of the globe and almost 5,000 public votes cast in our search for the best photo of 2016. Coverage included a feature of the competition on BBC.co.uk and Sky Italia amongst many national and international titles.

Masterminds of Construction, our film series with ITN Productions, continued the partnership we have with ITN to celebrate innovation within the industry and to promote careers in construction. The film series was launched online and in conjunction with the CIOB Academy launch event in London.

We also participated in a number of UK trade exhibitions including North England Build, UK Construction Week, London Build and Architex to provide membership information, exchange knowledge and for members to talk to use about their career needs.

## 2016 Objective: Maximise Efficiency



In May we launched *One CIOB* with its strapline 'Bringing you a more accessible experience', a project to reshape how we engage with members at a local level. Two years' consultation and research into members' needs showed us how much our members appreciate local support and need something that can fit more flexibly around busy work and family lives. Our aim is to create a more accessible local CIOB, with high quality products and services, local events, networking and CPD for all our members, no matter where they are located.

Throughout May and June, we introduced the project to 400 members in the UK and Ireland at 17 workshops and online to members via webinar, which attracted 1600 views. Our first milestone has been to reshape our local structure with new committees recruited and elected. So far, we have rolled out 29 new local Hubs in the UK and Ireland, with International Hubs coming in 2017.

Many of the changes this year have been internally-focused to prepare for greater changes in 2017. We have developed new ways to ensure consistent and high quality learning content in our local CPD events. At the same time we have improved our local newsletters and restructured our local social channels.

We recognised the need to improve access to CIOB events and so sourced and purchased a new webinar tool and events booking platform. These will allow members to book and attend more events online and will make local events available to wider audiences.

One CIOB will mean greater political and external engagement on behalf of members at a local level and we have started to pilot this approach in Wales and the Northern Powerhouse (UK).

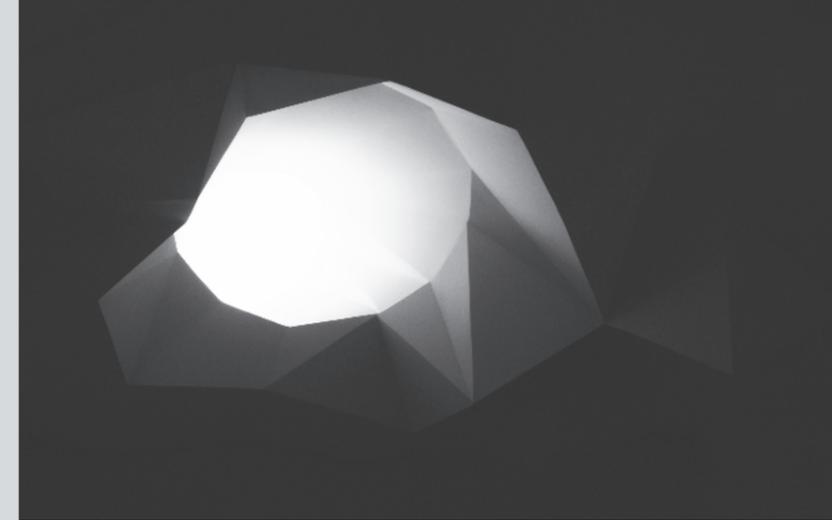
Over the coming year, *One CIOB* will continue to roll out as more accessible events introduce new CPD and online content and continue to improve how we communicate with members.

Another significant activity in 2016 was the preparation and planning for a major series of system upgrades. The internally focused change was the upgrading of our incumbent disaster recovery (backup) platform. Through careful planning we have been able to implement a brand new 'live' software solution that keeps our critical data secure at a lower cost than previous.

A very significant change that will soon start to benefit members is the work to prepare and plan for a change of our core Customer Relationship Management (CRM) system. This critical platform is the engine room of the CIOB back office and is critical to every department in their daily activity. Throughout 2016 we have been working on building and rigorously testing a new platform that will help us serve our members more efficiently in routine tasks and enable us to communicate more effectively and efficiently on a host of issues. The platform launches in quarter two in 2017.

We have taken the opportunity this year to review a number of our key internal suppliers and costs given our three year anniversary of moving into Arlington Square, as always with the rigorous oversight of Trustees we have ensured we maximise the value received for our expenditure.

## Sponsorships & Commercial Partnerships



2016 has built on the success of previous years to deliver a good level of sponsorship that has contributed financially to key events, for example Construction Manager of the Year Awards and CIOB Annual Conference. Many of the sponsors engaged have been working with us for a number of years and see real value in the association with CIOB in terms of demonstrating their position in the construction industry. These good foundations have opened up an opportunity to move towards a more strategic and proactive approach to commercial partnership that will have potential to positively impact on the wider organisational aims.

As an example, we have taken the first steps to implement a range of member benefits that add value to CIOB membership; these include discounts on vehicle hire, professional services, construction software and accommodation bookings. These are generally UK focussed, but going forward we aim to deliver for the global membership and gain a better understanding of the benefits that our members value most.

We are also exploring multi-faceted partnerships that are focused around key themes; for example we are in discussions with a partner where we will stand together in messaging relating to the support, development and recognition of people through their construction careers. This may include involvement with the Academy, set up of a Training Partnership, CMYA, and campaigns that carry related messaging. Similar discussions are underway around the themes of Energy Efficiency, Diversity, Ethics and Innovation.

To understand the full value of a potential partnership we will use five key indicators:

1. Impact: Will it help raise our profile, add weight to projects & messaging, generate new members, and contribute to an increased global presence?
2. Influence: Will it strengthen our ability to influence industry and government?
3. Income: Will it contribute to achieving a stronger and more diverse income base?
4. Intelligence: Will it keep us at the forefront of industry trends with up to date information?

5. Innovation: Will it introduce us to new ways of working as an organisation and as an industry?

In terms of what was achieved in 2016, our Hong Kong Annual Conference and President's Dinner attracted £33,000 of sponsorship. Five of the sponsors were organisations based in Hong Kong that have an existing relationship locally; those were China Harbour Engineering Company, Fook Lee, Hip Hing, Hong Kong Housing Society and CIC (HK). Autodesk took up the £16,000 headline sponsor position and provided Dominic Thasarathar as a speaker and we continue to work with Autodesk on a more strategic level.

Our Construction Manager of the Year Awards remains a flagship event in the industry. The 2016 event was supported by 9 sponsors with income totalling over £71,000. The brands involved included Peugeot, British Gas, Citation, Glodon and Roomex. Elecosoft, IHS, ITN and Premier Businesscare are signed up for a two year commitment. We worked hard to deliver an enhanced sponsorship package this year with the aim of engaging them more meaningfully in the wider messaging of the awards.

To help the launch of the Academy we secured initial income of £400 and are expecting further support around some of the key course themes.

Through Partnership income an additional £10,500 has been generated through activities such as our insurance affinity scheme with Premier Businesscare which has shown a 10% increase on last year due to our increased marketing efforts, and our second year of working with ITN productions who have once again secured a good number of participants for our film Masterminds of Construction.

Some of the income was from Hays Recruitment who we worked with on two key projects. The first of these was a webinar featuring Chris Blythe OBE as a special guest commenting on the Hays Salary Review for the Construction Industry. The second is a poll carried out by Hays on behalf of the CIOB that aims to measure the link between professional qualifications/membership and salary/employability. The results of this will be published in 2017.



## Our environmental impact in 2016

Our total energy use for our head office in 2016 stood at 123,399.1 kWh, equivalent to 444.2 gigajoules. This marks an increase of 7.6% compared to our energy use in 2015.

Using the Carbon Trust's conversion factors, this means our head office carbon footprint is equivalent to 50,847kg of CO<sub>2</sub> (50.8 tonnes). Due to UK grid electricity becoming cleaner, particularly with the phasing-out of coal, this means that even though our energy consumption increased from 2015, the carbon footprint of our head office shrank.

In terms of our carbon dioxide emissions per m<sup>2</sup> per year, this is equivalent to 58.9kgCO<sub>2</sub>/m<sup>2</sup>/yr, an improvement of 6kg/CO<sub>2</sub>/m<sup>2</sup>/yr.

Our new London premises' energy use was 36,166kWh, equivalent to 130.2 gigajoules. Using the same conversion factors, this corresponds to 14,902kg of CO<sub>2</sub> (14.9 tonnes). For this office, our carbon dioxide emissions per m<sup>2</sup> per year stood at 47.7kgCO<sub>2</sub>/m<sup>2</sup>/yr.

This means both our offices are currently performing above the good practice benchmark as defined by the Chartered Institution of Building Services Engineers' (CIBSE) Guide F.

“  
**Both our offices are currently performing above the good practice benchmark as defined by the Chartered Institution of Building Services Engineers' (CIBSE) Guide F.**  
”



## Plans for Future Periods

### **Continue to give CIOB members the edge in a competitive marketplace through valuable learning, certification and recognition for their achievements.**

Enhance and grow the CIOB Academy so that customers have an increased range of learning (online and offline) to choose from backed up with IT and CRM systems that improve the CIOB's own capability to tailor and adapt future offerings.

Take the One CIOB initiative overseas and improve CPD content, accessibility and delivery at a local and international network level establishing a quality control process for local events.

Reinvigorate the Fellowship Grade with its successful benchmarking by UK NARIC at post graduate level to encourage Members and others to join.

Provide certifications to help professionals gain recognition for expertise in areas such as ethics, heritage and building information modelling.

Develop CIOB awards and competitions so that members and other professionals have platforms for gaining recognition of their achievements and the wider industry can benefit from celebrating construction's finest successes.

### **Adapt and explore opportunities to the changing ways higher education is funded. Work closely with the industry and government to increase CIOB and industry influence on key issues.**

Changes to the way higher education is funded have had a serious impact on Construction Management Degrees. In recent times the government has indicated that it is moving towards reform of the higher education landscape that will allow new providers into the market. This provides an opportunity for the CIOB to enter the market and provide accessible affordable degrees developed by the industry.

Research will continue to underpin our public affairs engagement, as we look to strengthen our work in ethics, productivity, and investment as we consider the impact of Brexit on UK construction.

We will 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.

### **Create closer ties and greater value for employers big and small in the industry, and continue to drive growth in individual membership and Chartership.**

Develop engagement with employers to support the CIOB Corporate Plan 2020 and strategies and utilise their influence to make the CIOB the Institute of choice for the construction professional.

Grow CIOB individual membership and the volume of non-chartered members into full Chartered membership.

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

Enhance the efficiency of CIOB finance systems and management through automation and integration with other technologies. Create better dialogue with members and customers so that they can receive preference based communications that help them get the best value from the CIOB.



## 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 £297k (2015: £186k surplus) before investment gains. Including unrealised gains net income for the year is £848k (2015: £318k).

Total income was £11m (2015: £10.2m) of this income £8.1m came from membership subscriptions. Underpinning this income growth is an increase in the number of members to 46,851 with upgrades to Chartered Membership being above target. Included within other income is £0.4m relating to sale of Englemere for additional planning permission obtained after the sale in 2013.

Total expenditure was £11.35m (2015: £10m) an increase of 13.5%. This is primarily due to planned investment as part of the Corporate Plan 2020 in One CIOB, investment in IT infrastructure and in the development of the Academy.

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 £49k (2015: £4k profit). This is due to planned investment in developing the Academy which will continue in 2017. However, the company is expected to trade profitably in future years after the initial investment.

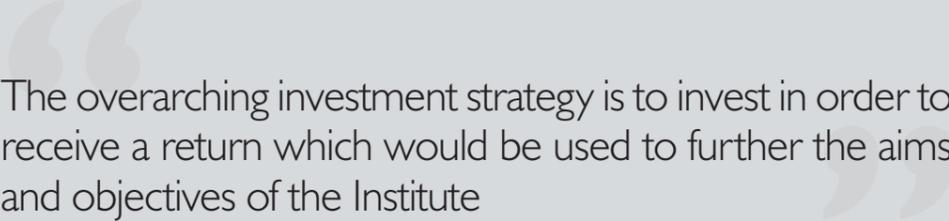
Englemere Building Consultancy Services (Chongqing) Co Ltd made an operating surplus of £28k (2015: £51k).

Capital expenditure for the group during the year amounted to £472k (2015: £426k). This mostly related to the investment in the new CRM.

### 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.



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

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 2016 were £12,810k (2015: £11,962k), £192k (2015: £219k) of which are restricted funds. The Institute also holds £422k (2015: £401k) 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 £10,808k (2015: £10,195k).

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 investment in line with the Corporate Plan 2020 in: growing membership and improving engagement with and services to members; enhancing and growing the Academy; roll out of One CIOB overseas; 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 Trustees 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 relevant 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.**

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.

By order of The Trustees.



Paul Nash MSc FCIQB  
President  
28 April 2017



Mike Smith FCIQB  
Trustee  
28 April 2017

# Independent auditor's report to the Trustees of The Chartered Institute of Building

We have audited the financial statements of The Chartered Institute of Building for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, the group and Institute balance sheets, the consolidated statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees are responsible for the preparation of the financial statements which give a true and fair view. We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Matters on which we are required to report by exception:-

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept sufficient and proper accounting records; or
- The parent charity's 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.

Grant Thornton UK LLP

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date: 28th April 2017

Grant Thornton UK LLP 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 2016

		Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
	Notes					
<b>Income From:</b>						
<b>Charitable activities</b>						
Member Subscriptions	2	8,101	-	-	8,101	7,777
Examinations and other fees	3	874	-	-	874	817
Chartered Building Company Scheme	4	237	-	-	237	243
<b>Other Trading Activities</b>						
Trading Turnover: Englemere Ltd	7	352	-	-	352	246
<b>Investment income</b>	10	246	5	9	260	226
Hub Income	11	559	-	-	559	623
<b>Other Income</b>	11	673	-	-	673	305
<b>Total incoming resources</b>		<b>11,042</b>	<b>5</b>	<b>9</b>	<b>11,056</b>	<b>10,237</b>
<b>Expenditure On:</b>						
<b>Charitable activities</b>						
Members & Prospective Members	12	(2,421)	-	-	(2,421)	(2,500)
Education and Qualifications	12	(1,318)	-	-	(1,318)	(1,075)
Employer Engagement	12	(397)	-	-	(397)	(256)
Innovation & Leadership	12	(3,762)	(58)	(39)	(3,859)	(3,054)
<b>Other</b>						
Trading activities	7	(401)	-	-	(401)	(240)
Hubs Expenditure	12	(2,957)	-	-	(2,957)	(2,926)
<b>Total</b>		<b>(11,256)</b>	<b>(58)</b>	<b>(39)</b>	<b>(11,353)</b>	<b>(10,051)</b>
<b>Net (expenditure)/income before investment gain</b>		<b>(214)</b>	<b>(53)</b>	<b>(30)</b>	<b>(297)</b>	<b>186</b>
Unrealised gain on investment assets	17	1,068	26	51	1,145	134
<b>Net income</b>		<b>854</b>	<b>(27)</b>	<b>21</b>	<b>848</b>	<b>320</b>
Taxation on profit of trading subsidiary		-	-	-	-	(2)
<b>Net Movement in Funds</b>		<b>854</b>	<b>(27)</b>	<b>21</b>	<b>848</b>	<b>318</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 January 2016		11,342	219	401	11,962	11,644
<b>Fund balances carried forward at 31 December 2016</b>	23	<b>12,196</b>	<b>192</b>	<b>422</b>	<b>12,810</b>	<b>11,962</b>

The Consolidated SOFA incorporates the income and expenditure account together with the statement of other comprehensive income.

All incoming resources were from the continuing activities and the notes on pages 29 to 46 form part of these financial statements.

# Balance Sheets

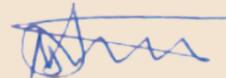
(Group and Institute) as at 31 December 2016

	Notes	2016		2015	
		Group £'000	Institute £'000	Group £'000	Institute £'000
<b>Fixed Assets</b>					
Tangible fixed assets	15	1,388	1,332	1,147	1,145
Investment in subsidiary undertakings	16	-	11	-	11
Other investments	17	11,831	11,831	10,473	10,473
<b>Total Fixed Assets</b>		<u>13,219</u>	<u>13,174</u>	<u>11,620</u>	<u>11,629</u>
<b>Current assets</b>					
Debtors	18	872	970	944	950
Cash at bank and in hand	19	3,141	2,636	3,141	2,653
<b>Total Current Assets</b>		<u>4,013</u>	<u>3,606</u>	<u>4,085</u>	<u>3,603</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	20	4,172	3,915	3,568	3,312
<b>Net Current (Liabilities)/Assets</b>		<u>(159)</u>	<u>(309)</u>	<u>517</u>	<u>291</u>
<b>Total assets less current Liabilities</b>		<u>13,060</u>	<u>12,865</u>	<u>12,137</u>	<u>11,920</u>
Provision for liabilities	22	250	250	175	175
<b>Total Net Assets</b>		<u>12,810</u>	<u>12,615</u>	<u>11,962</u>	<u>11,745</u>
<b>Funds</b>					
General fund	23	12,196	12,000	11,342	11,125
Designated funds	23	422	422	401	401
<b>Total Unrestricted Funds</b>	23	<u>12,618</u>	<u>12,422</u>	<u>11,743</u>	<u>11,526</u>
Restricted income funds	23	192	192	219	219
<b>Total Charity Funds</b>		<u>12,810</u>	<u>12,614</u>	<u>11,962</u>	<u>11,745</u>

The financial statements were approved by the Trustees on 28 April 2017



**President**  
Paul Nash FCIQB  
CIOB President 2016/2017



**Trustee**  
Mike Smith FCIQB

# Consolidated Statement of Cashflows

for the year ended 31 December 2016

Notes	2016 £'000	2015 £'000	
<b>Reconciliation of cash flows from operating activities:</b>			
Net Income	8	848	186
<b>Adjustments for:</b>			
Depreciation charges	15	231	200
Gains on Investments	17	(1,145)	-
Investment Income	10	(260)	(226)
Decrease/(Increase) in Debtors		72	(330)
Increase in creditors		604	820
Increase in provisions		75	-
<b>Net cash provided by Operating activities</b>		<u>425</u>	<u>650</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	15	(472)	(427)
Purchase of investments	17	(213)	(186)
Receipt of investment Income	10	260	226
<b>Net cash provided by investing activities</b>		<u>(425)</u>	<u>(387)</u>
<b>Net Increase in cash and cash Equivalents</b>		-	263
<b>Cash and cash Equivalent at the beginning of year</b>		3,141	2,878
<b>Cash and cash Equivalent at the end of year</b>		<u>3,141</u>	<u>3,141</u>

# 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).

Using the historical cost convention, these accounts are prepared in compliance with:

- FRS 102, as applicable in the UK & Ireland (August 2014)
- 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 Pound 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 (2015: £10,237k) and
- Net Income of £848k (2015: £320k)

### 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. This also applies to the implementation of the reserves policy.

### 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 2017 received in advance during 2016 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.

# Notes to the Financial Statements

## 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. Gains and losses on individual investments within each portfolio are treated as unrealised whilst the proceeds remain within the managed 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

	2016 TOTAL £'000	2015 TOTAL £'000
Renewals	7,673	7,329
New Members	428	448
<b>Total</b>	<b>8,101</b>	<b>7,777</b>

## 3. Examinations and other fees

	2016 TOTAL £'000	2015 TOTAL £'000
Membership Fees & Certification	317	393
Interviews Income	224	166
Examinations & Education Income	319	242
Other	14	16
<b>Total</b>	<b>874</b>	<b>817</b>

## 4. Chartered Building company scheme

	2016 TOTAL £'000	2015 TOTAL £'000
Chartered Building Company Fees	178	181
Chartered Building Consultancy Fees	54	59
Joining Fees	5	3
<b>Total</b>	<b>237</b>	<b>243</b>

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

The Group and Institute SOFA are set out, with Comparatives, by fund in notes 8 & 9

# Notes to the Financial Statements

## 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 & Loss Account of Englemere Building Consultancy Services (Chongqing) Co Limited

	2016 TOTAL £'000	2015 TOTAL £'000
Turnover	352	377
Cost of sales	(324)	(326)
Operating Profit	<b>28</b>	<b>51</b>
Retained loss brought forward	222	172
Retained profit carried forward	250	223

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

Fixed Assets	3	3
<b>Current Assets</b>		
Debtors	17	15
Cash at bank & in hand	402	387
	422	405
Creditors: amounts falling due within one year	(161)	(172)
	261	233
Capital and Reserves	10	10
Share Capital	250	223
Profit & Loss Account	260	233

## 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. As the company's profits are covenanted to the Institute, no corporation tax is payable other than the small sums in respect of any expenses not allowable for tax.

Englemere Ltd's directors during 2016 were Christopher Laing, Christopher Blythe OBE, Geoffrey Wright and Robert Heathfield.

### Profit & Loss Account of Englemere Limited

	2016 TOTAL £'000	2015 TOTAL £'000
Turnover	352	246
Cost of sales	(350)	(232)
Gross Profit	2	14
Other operating charges	(51)	(8)
Operating Loss	(49)	6
Taxation	-	(2)
Loss after taxation	(49)	4

Retained loss brought forward	(6)	(10)
Retained loss carried forward	(55)	(6)

### Balance Sheet of Englemere Limited

Fixed Assets	53	-
<b>Current Assets</b>		
Debtors	92	94
Cash at bank & in hand	104	99
	249	193
Creditors: amounts falling due within one year	(303)	(198)
	(54)	(5)
<b>Capital and Reserves</b>		
Called up share capital	1	1
Profit & Loss Account	(55)	(6)
	(54)	(5)

# Notes to the Financial Statements

## 8. Consolidated Statement of Financial Activity (incorporating Income and Expenditure Account) Year Ended 31 December 2016 – with Comparatives by Fund

	Notes	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Designated Funds 2015 £'000	Total Funds 2015 £'000
<b>Income From:</b>									
<b>Charitable activities</b>									
Member Subscriptions	2	8,101	-	-	8,101	7,777	-	-	7,777
Examinations and other fees	3	874	-	-	874	817	-	-	817
Chartered Building Company Scheme	4	237	-	-	237	243	-	-	243
<b>Other Trading Activities</b>									
Trading Turnover: Englemere Ltd	7	352	-	-	352	246	-	-	246
Investment income	10	246	5	9	260	216	4	6	226
Hub Income	11	559	-	-	559	623	-	-	623
Other Income	11	673	-	-	673	305	-	-	305
<b>Total incoming resources</b>		<b>11,042</b>	<b>5</b>	<b>9</b>	<b>11,056</b>	<b>10,227</b>	<b>4</b>	<b>6</b>	<b>10,237</b>
<b>Expenditure On:</b>									
<b>Charitable activities</b>									
Members & Prospective Members	12	(2,421)	-	-	(2,421)	(2,500)	-	-	(2,500)
Education and Qualifications	12	(1,318)	-	-	(1,318)	(1,075)	-	-	(1,075)
Employer Engagement	12	(397)	-	-	(397)	(256)	-	-	(256)
Innovation & Leadership	12	(3,762)	(58)	(39)	(3,859)	(2,994)	(51)	(9)	(3,054)
Trading activities	7	(401)	-	-	(401)	(240)	-	-	(240)
Hubs Expenditure	12	(2,957)	-	-	(2,957)	(2,926)	-	-	(2,926)
<b>Total</b>		<b>(11,256)</b>	<b>(58)</b>	<b>(39)</b>	<b>(11,353)</b>	<b>(9,991)</b>	<b>(51)</b>	<b>(9)</b>	<b>(10,051)</b>
<b>Net (expenditure)/Income before investment gain</b>		<b>(214)</b>	<b>(53)</b>	<b>(30)</b>	<b>(297)</b>	<b>236</b>	<b>(47)</b>	<b>(3)</b>	<b>186</b>
Unrealised gain on investment assets	17	1,068	26	51	1,145	130	6	(2)	134
<b>Net income/(expenditure)</b>		<b>854</b>	<b>(27)</b>	<b>21</b>	<b>848</b>	<b>366</b>	<b>(41)</b>	<b>(5)</b>	<b>320</b>
Taxation on profit of trading subsidiary		-	-	-	-	(2)	-	-	(2)
Transfer between funds		-	-	-	-	(12)	1	11	-
<b>Net Movement in Funds</b>		<b>854</b>	<b>(27)</b>	<b>21</b>	<b>848</b>	<b>352</b>	<b>(40)</b>	<b>6</b>	<b>318</b>
<b>Reconciliation of funds</b>									
Total funds brought forward at 1 January 2016		11,342	219	401	11,962	10,990	259	395	11,644
<b>Fund balances carried forward at 31 December 2016</b>	23	<b>12,196</b>	<b>192</b>	<b>422</b>	<b>12,810</b>	<b>11,342</b>	<b>219</b>	<b>401</b>	<b>11,962</b>

# Notes to the Financial Statements

## 9. Statement of Financial Activity Year Ended 31 December 2016 – (Institute only, with Comparatives by Fund)

	Notes	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Designated Funds 2015 £'000	Total Funds 2015 £'000
<b>Income From:</b>									
<b>Charitable activities</b>									
Member Subscriptions	2	8,101	-	-	8,101	7,777	-	-	7,777
Examinations and other fees	3	874	-	-	874	817	-	-	817
Chartered Building Company Scheme	4	237	-	-	237	243	-	-	243
<b>Other Trading Activities</b>									
Investment income	10	246	5	9	260	216	4	6	226
Other Income	11	880	-	-	880	551	-	-	551
<b>Total</b>		<b>10,338</b>	<b>5</b>	<b>9</b>	<b>10,352</b>	<b>9,604</b>	<b>4</b>	<b>6</b>	<b>9,614</b>
<b>Expenditure on</b>									
<b>Charitable activities</b>									
Members & Prospective Members	12	(2,421)	-	-	(2,421)	(2,500)	-	-	(2,500)
Education and Qualifications	12	(1,318)	-	-	(1,318)	(1,075)	-	-	(1,075)
Employer Engagement		(397)	-	-	(397)	(256)	-	-	(256)
Innovation & Leadership		(3,762)	(58)	(39)	(3,859)	(2,995)	(51)	(9)	(3,055)
Hub Expenditure		(2,633)	-	-	(2,633)	(2,599)	-	-	(2,599)
<b>Total</b>		<b>(10,531)</b>	<b>(58)</b>	<b>(39)</b>	<b>(10,628)</b>	<b>(9,425)</b>	<b>(51)</b>	<b>(9)</b>	<b>(9,485)</b>
<b>Net Income/(Expenditure) before investment gain/(loss)</b>									
Unrealised gain/(loss) on investment assets	17	1,068	26	51	1,145	130	6	(2)	134
Transfers between funds		-	-	-	-	(12)	1	11	-
<b>Net income/(expenditure) for the year</b>		<b>876</b>	<b>(27)</b>	<b>21</b>	<b>869</b>	<b>297</b>	<b>(40)</b>	<b>6</b>	<b>263</b>
<b>Reconciliation of Funds</b>									
Total funds brought forward at 1 January 2016		11,125	219	401	11,745	10,828	259	395	11,482
<b>Total funds carried forward at 31 December 2016</b>		<b>12,000</b>	<b>192</b>	<b>422</b>	<b>12,614</b>	<b>11,125</b>	<b>219</b>	<b>401</b>	<b>11,745</b>

# Notes to the Financial Statements

## 10. Investment Income and Interest

	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Income from investment portfolio	238	5	9	252	216
Interest receivable from cash on deposit	8	-	-	8	10
	<b>246</b>	<b>5</b>	<b>9</b>	<b>260</b>	<b>226</b>

## 11. Other Incoming Resources

	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Designated Funds 2016 £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Project Income	14	-	-	14	26
International Local Income	33	-	-	33	75
Surplus on Sale of Fixed Assets	400	-	-	400	-
Other Income	226	-	-	226	204
	<b>673</b>	<b>-</b>	<b>-</b>	<b>673</b>	<b>305</b>
Hub Income	207	-	-	207	246
Englemere Chongqing (note 6)	352	-	-	352	377
	<b>559</b>	<b>-</b>	<b>-</b>	<b>559</b>	<b>623</b>

## 12. Apportionment of Support and Governance Costs

	Members & Prospective 2016 £'000	Education & Qualifications 2016 £'000	Employer Engagement 2016 £'000	Leadership & Innovation 2016 £'000	Hubs Expenditure 2016 £'000	Total 2016 £'000	Total 2015 £'000
Direct Costs	1,382	752	226	2,202	1,828	6,390	5,544
Staff costs	351	191	57	559	382	1,540	1,384
Support Costs	654	356	108	1,043	712	2,873	2,725
Governance*	34	19	6	55	35	149	159
	<b>2,421</b>	<b>1,318</b>	<b>397</b>	<b>3,859</b>	<b>2,957</b>	<b>10,952</b>	<b>9,812</b>

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

\*Governance Costs comprise:

	2016 £'000	2015 £'000
- Fees payable to the Institute's auditors for the statutory audit	30	38
- Trustees' expenses reimbursed	18	10
- Other Governance (Staff Costs)	101	111
	<b>149</b>	<b>159</b>

Support and Governance costs include the following Auditors remuneration:

	2016 £'000	2015 £'000
Fees payable to the Institute's auditors for the statutory audit	30	38
Fees payable to the Institute's auditors for tax advisory services	8	9
Fees payable to the Institute's auditors for other services	9	11
	<b>47</b>	<b>58</b>

# Notes to the Financial Statements

## 13. Staff Costs

	2016 £'000	2015 £'000
Salaries	3,618	3,249
National Insurance costs	323	280
Pension	201	176
Group staff costs	4,142	3,705
Charged to the CIOB Benevolent Fund Ltd and trading subsidiaries	(54)	(53)
Institute Staff Costs	<b>4,088</b>	<b>3,652</b>

	2016 Number	2015 Number
The average number of employees in Institute	115	121
The average number of employees in Group	121	127

Number of employees whose emoluments were over £60,000

£60,000-£69,999		
£70,000-£79,999	1	1
£80,000-£89,999	2	-
£90,000-£99,999	2	-
£100,000-£109,999	1	2
£110,000-£119,999	-	1
£130,000-£139,999	-	1
£160,000-£169,999	1	1

The Key Management Personnel comprise the trustees (see note 14) and the Management Board of the Institute.

The total remuneration and benefits received by the Management Board was £765k (2015:£740k). 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 £56,520 (2015:£52,128) with retirement benefits accruing for 6 directors. (2015:6).

Compensation amounts of £3,607 were paid during the year in accordance with the Institute policy (2015:£14,794)

## 14. 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 £18,044 (2015: £10,165). No trustee waived their entitlement to reimbursement. A list of the trustees who received reimbursement of expenses is shown on page 6.

Professional Indemnity and Trustee insurance was provided during 2016 at a cost of £4,370 (2015: £6,970).

## 15. Tangible Fixed Assets

Institute and Group	Furniture & Equipment £'000	Membership Database £'000	Institute Totals £'000	Group Totals £'000
<b>Cost or valuation</b>				
At 1 January 2016	1,572	335	1,907	1,918
Additions during the year	6	410	416	472
<b>At 31 December 2016</b>	<b>1,578</b>	<b>745</b>	<b>2,323</b>	<b>2,390</b>
<b>Depreciation</b>				
At 1 January 2016	481	281	762	771
Provided during the year	192	37	229	231
<b>At 31 December 2016</b>	<b>673</b>	<b>318</b>	<b>991</b>	<b>1,002</b>
<b>Net book value</b>				
<b>At 31 December 2016</b>	<b>905</b>	<b>427</b>	<b>1,332</b>	<b>1,388</b>
At 31 December 2015	1,091	54	1,145	1,147

The new Membership Database has not been depreciated as it is was under implementation and not available for use at the end of December 2016.

## 16. Investment in Subsidiary Undertakings – Institute

	2016 £'000	2015 £'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
	<b>11</b>	<b>11</b>

# Notes to the Financial Statements

## 17. Other Investments – Group and Institute

### At market value

At 1 January 2016	10,473
Net Additions and distributions re-invested	213
Change in Market Value	1,145

### At 31 December 2016

11,831

### At cost

At 1 January 2016	9,859
Net Additions/(Disposals)	(7)

### At 31 December 2016

9,852

The following investments represented more than 5% of the market value for the institute's managed investment portfolio at 31 December 2016:

Trojan Investment Funds	5.1%
Findlay Park American Fund	6.2%
Madje UK Equity Fund	10.2%
Old Mutual UK Alpha Fund	6.0%
Trojan Income Fund	7.9%
The Equity Income Trust for Charities	10.2%

The managed investment portfolios were invested as at 31 December 2016 as follows:

	Market Value £'000	Cost £'000
UK Bonds	774	749
Overseas Bonds	596	544
UK Equities	4,597	3,969
Overseas Investments	2,866	1,982
Portfolio Funds	1,716	1,603
Property Funds	519	466
Other Investments	300	277
Cash	463	262
Totals	11,831	9,852

Total investments at market value of the managed investment portfolio include £192k (2015: £214k) of those related to a restricted fund, the Queen Elizabeth II Jubilee Fund.

TOTAL  
£'000

## 18. Debtors

Trade Debtors  
Amount owed by trading subsidiary  
Other debtors  
Prepayments and accrued Income

	2016		2015	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Trade Debtors	132	71	160	98
Amount owed by trading subsidiary	-	206	-	113
Other debtors	203	203	251	248
Prepayments and accrued Income	537	490	533	491
	<u>872</u>	<u>970</u>	<u>944</u>	<u>950</u>

## 19. Cash at Bank & In Hand

Cash at Bank and In Hand

	2016		2015	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Cash at Bank and In Hand	3,141	2,636	3,141	2,653
	<u>3,141</u>	<u>2,636</u>	<u>3,141</u>	<u>2,653</u>

## 20. Creditors falling due within one year

Trade Creditors  
Tax & Social Security  
Other creditors  
Amounts owed to CIOB Benevolent Fund  
Accruals and deferred income

	2016		2015	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Trade Creditors	630	567	401	344
Tax & Social Security	122	98	112	87
Other creditors	359	323	292	250
Amounts owed to CIOB Benevolent Fund	-	-	8	8
Accruals and deferred income	3,061	2,927	2,755	2,623
	<u>4,172</u>	<u>3,915</u>	<u>3,568</u>	<u>3,312</u>

## 21. Deferred Income

Deferred income 1 January  
Income received and deferred  
Taken to SOFA  
Total

	2016		2015	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Deferred income 1 January	2,456	2,456	1,947	1,947
Income received and deferred	2,716	2,620	2,456	2,456
Taken to SOFA	(2,456)	(2,456)	(1,947)	(1,947)
Total	<u>2,716</u>	<u>2,620</u>	<u>2,456</u>	<u>2,456</u>

## 22. Provision for Long Term Liabilities

	2016		2015	
	Group £'000	Institute £'000	Group £'000	Institute £'000
Dilapidations brought forward	(175)	(175)	(175)	(175)
Dilapidation additions	(75)	(75)	-	-
Dilapidations carried forward	(250)	(250)	(175)	(175)

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.

## 23. Movement of Funds

See Notes below:	Unrestricted Funds				Restricted Funds				Totals £'000
	General (Group) A £'000	Bowen Jenkins B £'000	Other Designated B £'000	Total Designated £'000	QE II Jubilee Ca £'000	Sir Ian Dixon Cb £'000	Sir Peter Shepherd Cb £'000	Total Restricted £'000	
	As at 1st January	11,342	390	11	401	214	4	1	
Income	12,110	60	-	60	31	-	-	31	12,201
Expenditure	(11,256)	(36)	(3)	(39)	(53)	(5)	-	(58)	(11,353)
	12,196	414	8	422	192	(1)	1	192	12,810

### 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's obligations:

- 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.
- 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. The Sir Ian Dixon fund is currently in deficit with further receipts expected to cover the deficit.

## 24. Net Asset Analysis by Fund

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

Category of fund:	2016				2015			
	£'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	1,388	-	-	1,388	1,147	-	-	1,147
Other Investments	11,225	414	192	11,831	9,869	390	214	10,473
Cash at bank and in hand	3,133	8	-	3,141	3,125	11	5	3,141
Other net current asset/liabilities	(3,300)	-	-	(3,300)	(2,624)	-	-	(2,624)
Provisions	(250)	-	-	(250)	(175)	-	-	(175)
<b>Totals</b>	12,196	422	192	12,810	11,342	401	219	11,962

# The Art of Building

The competition, run by the Chartered Institute of Building, celebrates the creativity of the industry, the passion of the people who work within it, and the impact their work has on those who make use of the final construction.

It is regularly featured by the BBC and other international news agencies. Now in its sixth year the competition has raised money for reconstruction projects in Haiti and is transforming hoarding on construction sites in the UK.

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Find out more at [www.artofbuilding.org](http://www.artofbuilding.org)

## 25. Leasing Commitments

The group's future minimum operating lease payments expire as follows:

	Land and Buildings	
	Total 2016 £'000	Total 2015 £'000
Within one year	358	358
Between one and five years	1,434	1,434
Over five years	1,036	1,040
Totals	2,828	2,832

## 26. Capital Commitments

The group had no capital commitments as at 31st December 2016 or 31st December 2015.

## 27. Related Party Transactions

There were no related party transactions to disclose in 2016 (2015: none).

