
ANNUAL
REVIEW &
ACCOUNTS

2014

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* THESE SECTIONS FORM PART OF THE REPORT OF THE TRUSTEES

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VISION, MISSION & VALUES

VISION

BUILT ENVIRONMENT PROFESSIONALS MAKING A DIFFERENCE.

MISSION

TO CONTRIBUTE TO A MODERN, PROGRESSIVE AND RESPONSIBLE CONSTRUCTION INDUSTRY, MEETING THE ECONOMIC, ENVIRONMENTAL AND SOCIAL CHALLENGES OF A GLOBAL SOCIETY.

VALUES

- ▶ CREATING EXTRAORDINARY PEOPLE THROUGH PROFESSIONAL LEARNING AND CONTINUOUS PROFESSIONAL DEVELOPMENT
 - ▶ PROMOTING THE BUILT ENVIRONMENT AS CENTRAL TO QUALITY OF LIFE FOR EVERYONE, EVERYWHERE
 - ▶ ACHIEVING A SUSTAINABLE FUTURE WORLDWIDE
 - ▶ BEING SOCIALLY RESPONSIBLE AND ADVOCATING EXEMPLARY ETHICAL PRACTICE, BEHAVIOUR, INTEGRITY AND TRANSPARENCY
 - ▶ PURSUING EXCELLENCE IN WORLDWIDE MANAGEMENT PRACTICE AND TECHNOLOGICAL INNOVATION ROOTED IN EVIDENCE BASED RESEARCH
 - ▶ TO BE THE INCLUSIVE VALUED INSTITUTE OF CHOICE FOR BUILT ENVIRONMENT PROFESSIONALS
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PRESIDENT'S FOREWORD



It is a privilege to preside over The Chartered Institute of Building, an Institute that is the world's largest and most influential professional body for construction management and leadership. I am proud to say that my Presidency is the first time someone from a Middle Eastern background has achieved this accolade and responsibility.

My term has followed on from Peter Jacobs. Under his stewardship we made many significant leaps forward and these will be felt across membership for years to come, and by members yet to join.

I would like to highlight one particular major achievement. The launch of Chartered Construction Manager – which make no mistake is a game-changer.

Construction Management should share the same importance and professionalism as other Chartered disciplines across the world and not just those in our sector. That recognition is now visible and thousands of members are taking advantage of the designation.

Membership is more than a collection of people looking for a competitive advantage. We share a set of values that underpin what it means to be a Chartered professional.

After all, the Institute exists to benefit the public who use buildings, not the people who produce them. Its public role is the advancement of the science and practice of building and construction. We achieve that through our membership of competent professionals working to a Code of Practice and an obligation to continually update their skills and knowledge.

MEMBERSHIP IS MORE THAN A COLLECTION OF PEOPLE LOOKING FOR A COMPETITIVE ADVANTAGE. WE SHARE A SET OF VALUES THAT UNDERPIN WHAT IT MEANS TO BE A CHARTERED PROFESSIONAL.

So as members we accept our public responsibility. That social role of construction is something we need to emphasise more fully. Construction is more than a mere industry – it is a fundamental part of society.

We must not sell ourselves short by assuming that we are simply producers; Institute members really are 'shapers', influencing every aspect of the built environment in ways that contribute to the economy, society and culture - often for generations yet to come.

Looking to the future, the move to our new Headquarters is more than a change of scenery it is a clear statement that shows we practice what we preach. Especially in the environment. The return to London after 40 years is a logical move and enables us to play a fuller role in the development of the industry.

The Institute has a rich heritage and that matters to me and no doubt it will to you as well. It has survived, and achieved so much, because members have contributed to it - and left it stronger, wiser and more influential than it was when they joined it. I urge you to get involved and contribute in any way you can.

GHASSAN AOUAD FCI0B
PRESIDENT 2014/15
 24 April 2015

CHIEF EXECUTIVE'S REPORT



2014 was a year of considerable achievement for the Institute and one where the international construction industry showed signs of growth. Markets such as North America and the Middle East were particular areas of focus.

North America for one is forecast to witness the highest growth in developed country regions over the next 10 or so years. Developing economies such as Qatar also took our focus and with the 2022 FIFA World Cup drawing ever closer we expect to see huge investment and work opportunities in stadia, transport and leisure infrastructure.

Closer to home, the UK construction industry has been one of the main engines of economic growth, performing at its best since 2010 and this is reflected in membership.

Our intake of new members stood at 2,493 for the year, with a further 1,076 on their way to corporate membership, the highest for a number of years. In fact there were 761 professional reviews undertaken.

It was also the first year of operation in our new Bracknell headquarters and in the London representative office. The new open plan environment has improved internal communication and increased collaboration. Our utilisation of modern communications technology not only improves the connectivity between Bracknell and London but with members and staff throughout the world.

This same technology enables members well away from the UK who want to participate in the Insti-

CLOSER TO HOME, THE UK CONSTRUCTION INDUSTRY HAS BEEN ONE OF THE MAIN ENGINES OF ECONOMIC GROWTH, PERFORMING AT ITS BEST SINCE 2010 AND THIS IS REFLECTED IN MEMBERSHIP.

tute's governance to do so. By freeing them of the burden of long distance travel and the imposition it places on them and their employers. Our intention is to ensure that distance is no barrier for those who want to get involved.

Our operating costs are also lower and more certain, a benefit from having a lease. Costs of running Englemere were high and with the prospect of monies having to be spent on things that had nothing to do with advancing the profession of construction management a change was needed.

As an organisation committed to a sustainable low carbon built environment the move helps us achieve this on two fronts. Firstly in our own operation (read more in our Environmental Performance section) where you can see the comparison between what we had and what we do now. By anyone's standard what we have achieved is remarkable. Secondly the building which replaces Englemere will be built to the latest standards as it returns to living accommodation after some 70 years.

Members face many ethical dilemmas during their working lives because construction has a myriad of complex relationships. Working in the industry can also bring contradictions especially for those working in other cultures where the norms differ substantially from their home countries.

We have paid a lot of attention to the issue of migrant workers conditions in the Middle East, and more specifically in Qatar. Our branch in the Middle East hosted Members Forum and the Annual General

Meeting in June 2014. At the same time we took the opportunity to run a conference in partnership with the Qatar Chamber of Commerce on the issue of respect for people.

Financially the Institute is in a strong position, our net worth has increased year on year. In 2014 this is principally due to the final payment in regard to the sale of the Englemere estate. The proceeds from the sale of the Englemere estate has been invested to fund our long term strategic objectives. On a non-exceptional basis we have seen the increase in membership and a higher conversion rate to corporate membership. On the expenditure side, our operating costs are lower despite the opening of the London office.

In this report you will read further details on the grade review. For existing Associate and Incorporate members there is no practical impact if you chose to remain at your grade and continue with your subscription. We are introducing additional resources to help anyone upgrade and believe that members should aspire to be at the highest level of membership possible.

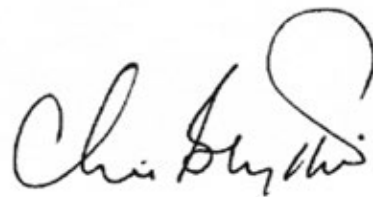
At Members Forum last June we held a workshop on the need to revitalise the Fellowship grade of membership. It was felt that Fellowship should be a competence based grade and reflective of leadership within a business and/ or the industry.

Our promotion of Chartered Construction Manager and the value of professional qualifications crossed the Atlantic. Myself and Past President Peter Jacobs

visited members in New York and Toronto and took forward agreements that give our qualifications greater recognition in both Canada and the USA.

Hong Kong played host to our inaugural Global Student Challenge construction business competition. Teams from across the world met up for the finals and battled it out to claim first place. Part of their prize was to be mentored by past presidents of the Institute giving the leaders of today access to the leaders of tomorrow.

It is worth reminding ourselves who we are and what we do. We are the professional body for construction management. We are required to promote the science and practice of building and construction. We are driven by that in the public interest. If you review what we have been doing against our core values then it's clear we are on track to deliver our mission.



CHRIS BLYTHE
CHIEF EXECUTIVE
24 April 2015

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 2014.

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

Directors and Trustees:

BOARD OF TRUSTEES

18 June 2013 – 16 June 2014

OFFICERS:

President: **Peter Jacobs** FCIOB
 Senior Vice President: **Ghassan Aouad** FCIOB
 Vice President: **Chris Chivers** FCIOB
 Vice President: **Vacant**
 Chief Executive: **Chris Blythe**

ELECTED TRUSTEES:

Expiry of Term

Roger Adcock FCIOB	(2014)
E. Susan Brown MCI OB	(2015)
Nigel Croxford FCI OB	(2015)
Paul Gandy FCI OB	(2016)
Richard Humphrey FCI OB (2nd term)	(2014)
Henry Lamb FCI OB	(2016)
Gavin Maxwell-Hart FCI OB	(2015)
Shaun Valentine FCI OB	(2014)

SELECTED TRUSTEES:

Expiry of Term

Michael Foy FCI OB	(2014)
Bridgette Gasca FCI OB	(2014)
Jason Margetts MCI OB	(2016)
Kevin Sheridan FCI OB	(2015)

CO-OPTED MEMBERS:

Alan Crane FCI OB	(2014)
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BOARD OF TRUSTEES

16 June 2014 – 21 July 2015

OFFICERS:

President: **Ghassan Aouad** FCI OB
 Senior Vice President: **Chris Chivers** FCI OB
 Vice President: **Paul Nash** FCI OB
 Vice President: **Vacant**
 Chief Executive: **Chris Blythe**

ELECTED TRUSTEES:

Expiry of Term

Jamie Barrett FCI OB	(2017)
E. Susan Brown MCI OB	(2015)
Nigel Croxford FCI OB	(2015)
Ray Ford FCI OB	(2017)
Paul Gandy FCI OB	(2016)
Henry Lamb FCI OB	(2016)
Gavin Maxwell-Hart FCI OB	(2015)
Michael Smith MCI OB	(2017)

SELECTED TRUSTEES:

Expiry of Term

Michael Foy FCI OB	(2017)
Philip Hynard FCI OB	(2017)
Jason Margetts FCI OB	(2016)
Kevin Sheridan FCI OB	(2015)

Biographies of current trustees can be found on our website at the following link www.ciob.org/trustees.

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STRUCTURE, GOVERNANCE & MANAGEMENT

Because we are governed by our Royal Charter (granted in 1980) and Bye Laws, and registered as a charity in England and Wales (number 280795), and in Scotland (SCO41725), we have to do things in a certain way.

We are managed by a Board of Trustees, which meets four times a year and is informed by various governance committees, who help ensure that we do things properly.

The Trustees and those 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.

Further information on our governance structure can be found on our website at

www.ciob.org/about/governance

The Chairs of Committees for 2014 were:

	2013 – 2014	2014 – 2015
Nominations	Richard Humphrey FCIOB	Michael Foy FCIOB
Audit and Risk	Chris Chivers FCIOB	Nigel Croxford FCIOB
Remuneration	Richard Humphrey FCIOB	Gavin Maxwell-Hart FCIOB
Resources	Ghassan Aouad FCIOB	Chris Chivers FCIOB

Appointment of Trustees

Our Board of Trustees is made up of 16 Corporate Members (15 Corporate members for 2014 due to a vacancy). The Board can co-opt up to two members under Bye-Law 67. One Member was co-opted to the Board for the period June 2013 – June 2014 to assist with the completion of a major project.

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 have oversight of the process for election and selection of new trustees.

The Board comprises of eight persons elected by MCIOB and FCIOB members through an election. Four persons are selected to the Board, by the Board, and four officers are then appointed by the Board.

Any Corporate Member of the Institute can apply for a position of Trustee. The Nominations Committee assess applications through a two stage process. A written application and a telephone interview. Following this, the committee can call for a ballot of corporate membership to elect a number of Trustees to the Board. There were two elected positions in 2013 and three elected positions in 2014.

After the election, the committee review the skills of the Board and select members from a pool of successful applications to fill any missing competencies or skills. In 2013 one person was selected. Two people were selected in 2014. Trustees are eligible for re-election 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 Trustee from the Charity Commission. This is updated as required throughout the year and updates are provided to the Trustees.

Organisation

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.

The Directors for 2014 were:

Chief Executive	Chris Blythe
Deputy Chief Executive	Bridget Bartlett
Finance Director	Joanne Case
Construction, Innovation and Development Director	Saleem Akram
Organisational Development Director	Ray Ellison

Biographies of current Directors can be found on our website at the following link www.ciob.org/staff

Related Parties

The Institute has two wholly owned trading subsidiaries; details of which are shown in notes 5 & 6 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 conferences and other events on behalf of the Institute and provides certain benefit services to members. The profits of Englemere Limited are transferred by gift aid to the Institute.

A payment was made to the Vice President Chris Chivers on 29 April 2014 for consultancy project management services and expenses totalling £4,200 plus VAT for work in relation to the relocation of the Institute to its current premises during October and November 2013. This was deemed above and beyond his Trustee normal duties and complies with the requirements of the Royal Charter and Bye Laws.

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 current major risks, and the current risk management strategy, have been identified as follows:-

- Despite the continuing improvement in the economic outlook, there are still risks to the construction industry arising from a too rapid increase in activity. This could have an impact on both the income due to the Institute and demands on its resources. The Institute's strategy is to identify members in difficulty to minimise the impact on the Institute and provide appropriate support.
- Ensuring our qualifications remain relevant to employers and employees within the industry. We manage this by constant dialogue with stakeholders to ensure that relevance is retained.
- We might not use the resources available as effectively as possible. The Institute will ensure that the staff are effectively trained and managed and that the information systems are able to deliver the business needs.

Each year we review our risk assessment for progress against our action plan. It is updated as appropriate.

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.

II 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.

OUR KEY OBJECTIVES FOR 2014 WERE:

- ▶ **EMPLOYERS: WE WILL INCREASE OUR VALUE TO EMPLOYERS, THROUGH RELEVANT QUALIFICATIONS THAT SUPPORT BUSINESS DEVELOPMENT**
 - ▶ **MEMBERS AND PROSPECTIVE MEMBERS: WE WILL ENSURE CIOB IS AT THE HEART OF A CAREER IN CONSTRUCTION MANAGEMENT**
 - ▶ **EDUCATION QUALIFICATIONS & TRAINING: WE WILL PROACTIVELY PREPARE PEOPLE FOR, AND DEVELOP PEOPLE IN, CAREERS IN CONSTRUCTION MANAGEMENT**
 - ▶ **LEADERSHIP: WE WILL BE SEEN AS AN ADVOCATE FOR A GLOBAL CONSTRUCTION MANAGEMENT DISCIPLINE IN THE PUBLIC INTEREST**
 - ▶ **INNOVATION: WE WILL PUT THE WEB AT THE CENTRE OF THE BUSINESS AND DEVELOP E-LEARNING AND E-ASSESSMENT**
 - ▶ **ORGANISATION DEVELOPMENT: WE WILL DEVELOP OUR ORGANISATION'S PEOPLE AND PROCESSES TO BE FIT FOR PURPOSE**
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ACHIEVEMENTS & PERFORMANCE

2014 Objective 1: Employers

2014 saw the comprehensive review of the Chartered Building Company and Consultancy Scheme. Feedback from existing scheme companies and employers showed that although the schemes are valuable more could be done to strengthen them.

A working group led by members of our employer engagement committee set about redrafting the criteria and a new governance structure was implemented to oversee the CBC schemes.

Our Training Partnerships continue to grow and by the end of 2014 there were 330 companies working with us through the program. We also saw our very first Training Partnership in China and have plans to grow these partnerships across all our markets.

2014 Objective 2: Members & Prospective Members

Last year we set ourselves a target to increase membership to 45,650 members. By the end of the year we had surpassed that with 45,780 members.

There is cause for optimism as the industry itself recovers from the global financial crisis so we see our own membership numbers start to increase.

In 2014 we admitted 2,493 new members, not including students. Much of this growth has been driven by our overseas branches.

Where we have seen a decrease is in the level of UK students coming into membership. We recorded a 12% fall compared to 2013. This mirrors the reducing numbers of students in construction management education at UK Universities. This contrasts with our overseas operations where student numbers have increased by 30%, and more international universities achieving accreditation.

A trend that is encouraging is the rate at which Chartered members are choosing to use the new Chartered Construction Manager designation. So far 31% have taken up the designation and we are expecting more to follow.

2014 Objective 3: Education Qualifications & Training

The Fellowship Review

Following a successful Leadership & Management workshop at Members Forum, a review of the fellowship standards started in October 2014. The aim is to implement a competence standard for fellowship based on higher level leadership and management skills and to create an application process that will enable benchmarking of the standard at post graduate doctorate level.

The launch of the Chartered Membership Programme (CMP)

The Chartered Membership Programme based on the old Experienced Practitioner Programme (EPA) was launched in early 2014. This new programme is supported by a Virtual Learning Environment, called Moodle, and visualised 3D project resources. It is proving to be very popular and within its first year there were over 160 registered candidates, compared to 60 registrations on the old programme in 2013.

Professional Apprenticeships

We have been working in partnership with an employer consortium to develop a professional apprenticeship at honours degree level. The professional review for full chartered membership is part of the higher level assessment that forms the apprenticeship and graduates will become MCIOB when they complete.

Continuous Professional Development (CPD)

Enabling members to meet their membership obligations and supporting their professional career development is fundamental. Developed by our Education Qualifications Standards & Practice (EQSP) Board we launched a new inclusive definition of CPD. Our policy will facilitate greater compliance with Rule 13 of the Rules and Regulations of Professional Competence and Conduct. It gives members greater opportunity to improve their knowledge and skills wherever they are in the world.

The Professional Development Programme (PDP)

The professional development programme is a structured, extended professional review for new graduates working in the industry and leads directly into chartered membership of the Institute. Back in 2013 we moved it online to improve its accessibility for graduates in the UK and overseas. One year on and we have recorded the highest registrations for the programme in its history. 185 are currently studying compared to an average 110 in previous years.

14 -19 Education

Following the demise of the 14-19 Diploma we have played a key role in developing standards for 14-19 vocational qualifications in construction subjects. These standards will ensure that new vocational qualifications meet the needs of employers.

2014 Objective 4: Leadership

Political engagement has been at the heart of the Institute's work in 2014. Members have been calling for greater engagement with policy makers to ensure the voice of the construction management professional is heard.

A great deal of our resource has gone into our *Guide to the Built Environment* campaign which culminated with the Institute, for the first time in its history, actively hosting events at the Conservative, Labour and Liberal Democrat autumn political party conferences.

This engagement at the party conferences was underpinned by socio-economic research to highlight the 'true value' of construction. The research found that the construction industry and built environment is estimated to be worth around 15.3% of GDP to the UK economy, much greater than 'official' statistics indicate. Our campaign was successful across social media. This is reflected in the Prime Minister's re-tweeting of our own research under the #BuildingBritain banner.

Engaging and training the young was the major theme of our 'Inspiring the Future of Construction' conference in November. Following on from the co-sponsored *No More Lost Generations* report the event was attended by 300 delegates, featuring speakers from industry, colleges and government.

We continued to shape numerous agenda's in Government, responding to consultations on payment practices, the CDM regulations and ECO programme. We also furthered our activity on the digital agenda, taking on responsibility for the government-led BIM4 Communities.

Our Members' Forum 2014 saw the Institute's leadership travel to Qatar. A controversial location to some, but the week-long event proved a huge success. Collaborative agreements were signed with Qatar Foundation, an influential semi-public, not for profit body that sponsors research and human development initiatives. We endorsed their Mandatory Standards of Migrant Workers' Welfare regulations which are subject to national law, and an agreement was signed with the Qatar Chamber of Commerce and Industry.

2014 Objective 5: Innovation

Members tell us they want to continue to increase the level of their online activities. We are responding and launched new websites and virtual services as a result. Two of the most eagerly awaited portals were the new dedicated Continuing Professional Development (CPD) and Building Information Modelling (BIM) sites.

The CPD site, which is free to all members, has been very popular and already attracted over 6,000 users who between them undertook more than 11,000 CPD sessions. Online learning is opening up other areas of the Institute especially for those who want to achieve Chartered status either by joining or by upgrading their membership. Our courses, qualifications and membership programmes have traditionally only been available by attending a physical event or class.

Now through Moodle, a Virtual Learning Platform, members can take an online Institute course, on their own terms. More than 200 people are already using this system. So far we have introduced our Chartered Membership Programme (formerly Experienced Practitioner Assessed programme), Level 3 Diploma in Site Supervisory Studies and Level 4 Diploma in Site Management.

The construction industry is no stranger to digital technology. The adoption of BIM platforms and programmes pulls teams together, enhancing the way information is shared and attracting new skills. Launched in the summer of 2014 our BIM Plus portal is focused on providing valuable information, advice and learning for readers.

ACHIEVEMENTS & PERFORMANCE cont.

2014 Objective 6: Organisation Development

Having successfully relocated to our new office in Bracknell, a key focus during 2014 was to build upon the momentum of the move and deliver further improvements in our performance.

One of our proudest achievements was gaining the Investors in People Silver Award in September. This both builds on our successes during the relocation and demonstrates our high standards of practice regarding people and business management.

Throughout 2014 we delivered a wide range of development opportunities to staff, from sponsoring postgraduate study, professional qualifications and NVQs through to the use of more interactive e-learning techniques and a variety of flexible and innovative delivery methods.

Over the course of the year, we employed an average of 122 staff, which breaks down by region as 105 in the UK and Ireland, 2 in Africa, 13 in Asia-Pacific and 2 in the Middle East. Of the 122 staff, 79 are full-time and 43 are part-time, with the majority (103) female.

Branch performance and activities in Scotland

Branches continue to provide a role in supporting members through Continuing Professional Development activity. Total branch related resources continue to be a significant expenditure area for the Institute.

The Institute is registered with the Office of the Scottish Charity Regulator, as we have approximately 2,200 members and a branch in Scotland. This branch has undertaken a number of activities including CPD events during the year and continues to form part of the regional branch structure of the UK Institute.

Englemere Building Consultancy Services (Chongqing) Co Limited Performance

Englemere Building Consultancy Services (Chongqing) Co Ltd is a wholly-owned subsidiary through which we manage our charitable activities in China. The company made an operating profit of £40k surplus in 2014 (2013: £88k)

Englemere Limited Performance

Englemere Limited is the trading company of the Institute. Englemere Limited made an operating profit before tax of £6,111 (2013: loss of £80,901).

Diversity

The Institute has a diverse workforce and is proactive in its approach to influencing industry leaders to bring about cultural change in attitudes to diversity, fairness and respect in the workplace. This was exemplified by our approach to the migrant workers' welfare issues at our conference in Doha in 2014.

Bridget Bartlett, our Deputy Chief Executive, chairs the Construction Industry Council's Diversity Panel and shows leadership through a number of initiatives aimed at increasing participation by females, ethnic minorities and the disabled.

Work on improving the image of the industry includes engaging with school children and university students and influencing those who give careers advice on the range of professional roles available. Other initiatives are designed to retain more women following maternity leave through supported mentoring programmes. We support the 'Women on Boards' initiative and are working with industry to improve the visibility of senior talented women by encouraging them to pursue Fellowship and apply for Trustee positions.

Environmental Performance

Having committed through our Carbon Action 2050 initiative to monitor, manage and improve our environmental performance, our relocation to a modern office gave us an opportunity we could not afford to miss. Our Ska Gold environmental rating for the fit-out of the office, amongst the highest in the country, means that high quality thermal insulation is in place, energy efficient controlled lighting is installed, some of the most efficient IT equipment is used and we are able to take half-hourly meter readings to monitor our energy use.

As a result of these measures and more, we have reduced our energy consumption by 82% compared to 2013. Our total energy use for our HQ office in 2014 therefore stood at 123,745kWh, equivalent to 446 gigajoules.

Using the Carbon Trust's 2014 conversion factors, this means our head office carbon footprint is equivalent to 61,162kg of CO₂. In 2013, this was 189,576kg and so represents a decrease of 67%. And in terms of our carbon dioxide emissions per m² per year, this is now equivalent to 71kgCO₂/m²/yr. This means our office is currently performing better than the good practice benchmark for an air-conditioned office as defined by the Chartered Institution of Building Services Engineers' (CIBSE) Guide F.

15 FINANCIAL REVIEW

The attached audited financial statements are in a format to comply with the Charities Act Accounting Rules and Statement of Recommended Practice (SORP) Accounting & Reporting by Charities 2005. They show that the General Fund has increased in the year by £3,099k (2013: £5,345k). This is comprised of £2,313k from the final instalment from the sale of the Englemere Estate, £177k gain on investment and £608k surplus on ordinary activities.

Total incoming resources showed a £1.7m (16%) increase on 2013. However, when this is adjusted to remove income from the sale of the Englemere estate, the increase in income from ordinary activities reduces to £142k (1%).

Total resources expended showed a 7% decrease on 2013. However, when this is similarly adjusted to take out non-recurring and relocation costs, resources expended on service delivery increased by £208k.

The additional £2.3m from the Englemere sale was invested in a managed long term investment fund.

The result of the subsidiary undertaking, Englemere Limited was a profit before taxation in 2014 of £6,111 (2013: £80,901 loss). The loss in 2013 related to non-recurring costs associated with the closure of the weddings and venue hire business. Englemere Limited is expected to continue to trade profitably in future years.

The financial statements also include the results and net assets of the Institute's Branches, Centres and Groups throughout the world where material.

Capital expenditure for the group during 2014 amounted to £56k (2013: £898k). This related to furniture and equipment. The large 2013 spend related to the fit out cost of the Institute's Head Office relocation.

Reserves

The Trustees reviewed the reserves policy during 2014 and have confirmed the following policy:

The Institute retains the Bequests & Scholarship designated reserves fund.

The current reserves policy is considered necessary in order to ensure that the Institute continues to provide services to members, to gain new members, to enhance the standing of the Institute and to support the Built Environment during increasingly uncertain times. The Trustees, in establishing the General Reserve,

consider it prudent to hold reserves sufficient to:

- fund the Institute's long term strategic objectives, including developing and extending our services to chartered members
- cover six months operational costs to ensure no reduction in service to members in the event of a sudden loss in income
- cover any unexpected additional costs and
- cover the Institute's long term non-cancellable leases and contractual commitments

The Institute's General, Designated and Restricted Funds are believed to be sufficient to meet its obligations as they fall due.

The level of free reserves not represented by fixed assets, designated or restricted funds stands at £10,266k (2013: £7,015k) at the year end. The increase is mainly due to the second instalment of funds from the sale of the Englemere Estate and the investment of the proceeds. The Trustees will continue to monitor these free reserves against the reserves policy to ensure that the Institute has sufficient reserves going forward.

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 proceeds from the sale of the Englemere Estate have also been invested for the long term with a balanced risk strategy.

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 Institutes long term strategic objectives.

The Board believes that the investments are achieving these objectives. A meeting is held bi-annually with the Investment Managers to monitor performance.

The Institute's Restricted Fund, the Queen Elizabeth II Jubilee Fund, was in surplus for the year as a result of the unrealised gain on the investment portfolio which was re-valued at 31 December 2014. The value of the fund at 31 December 2014 was £247,911 (2013: £265,460).

PLANS FOR FUTURE PERIODS

Whilst this report is a review of our achievements in 2014, we must look to our aims and objectives for 2015 and beyond, building on the objectives laid down in last year's Annual Review.

Our goals for 2015 are:-

Employers: Increase our value to employers, through relevant professional development that support business development

We aim to achieve this by continuing to develop our relevance to employers and their staff. Our CBC scheme has recently been reviewed and we will work closely with existing companies and consultancies to improve their standards, while recruiting more organisations into the scheme.

By reflecting our ethos for developing people we look forward to making a real difference with employers wishing to improve their levels of professionalism. We plan a number of interesting pilots during the year to assist contractors, consultancies and major clients to help them adopt Institute development processes in-house with our guidance and support.

Individuals: Ensure that the Institute is at the heart of a career in construction management

Following preparation in 2014, we have recently received Privy Council approval for our planned Grade Review. Implementing these changes will be challenging but will bring with it a unique opportunity to inspire non-chartered members to upgrade their qualification and benefit from Chartered status. This ambitious project began as a Membership Grade Review Consultation Paper presented at Members Forum 2012 in Dublin.

There is, and has been, public and industry confusion about Associate and Incorporate classes. The ACIOB and ICIOB grades were intended to be stepping stones towards Chartered status. Our data suggests that many in those grades are well qualified to undergo our professional review for corporate membership. Yet conversion rates to chartered status have been low and the average ages are increasing. This has led to the false perception that the majority of members are chartered.

Since that initial presentation a lot of work has been done. We examined whether our current grades adequately reflect the needs of the industry and evaluated the progression route for prospective construction professionals. Ensuring that construction management is worthy of its standing amongst other professions.

Careful consideration of the risks and implications for changing the grade structure have also been considered. We have asked ourselves many questions like; should our non-chartered grades change? What should they be and why? How would we demonstrate clarity in the grade? Should there be post nominal letters for non-chartered grades?

Following member consultation, a presentation was given at Members Forum 2013. There was general support for a new grade structure and a recommendation to Board of Trustees that the necessary work be sanctioned, whilst recognising that it should or would not happen overnight. Following on from our planning work, approval was sought from the Board of Trustees and an Extraordinary General Meeting (EGM) in November was called where the changes were discussed and accepted.

So from 1 July 2015 our Associate and Incorporate grades are closed to new members. If you are a current ACIOB or ICIOB, your status will remain unchanged. You can use the ACIOB or ICIOB designation until June 2025 – or until your subscription lapses. However, if you wish to return to the Institute after a gap in membership, you will be required to join under the new system.

As time moves on these grades will gradually fade away as they will be closed to all newcomers, and those who hold them choose to upgrade to Chartered status. There is support and guidance for anyone interested in upgrading, and they will gain access to the full range of entitlements and benefits that are open to our chartered members and fellows. For example only MCIOB and FCIOB can refer to themselves as a Chartered Construction Manager or Chartered Builder.

Following these changes newcomers to the Institute will be known as 'applicant' or student, but will not be permitted to put letters after their name until they become fully chartered. All other CIOB grades remain unchanged.

Our new grading system will be more understandable to clients, employers and the general public; creating a clearer divide between chartered and non-chartered members. It will also emphasize the skills and competencies of chartered builders and construction managers, recognising the experience and hard work that has gone into achieving MCIOB and FCIOB.

Within 2015 we will review our Fellowship Standards to achieve independent benchmarking of the Fellowship qualification against the UK qualifications framework. We will also undertake work that will provide a

framework for industry to accredit their own in-house leadership programmes against Fellowship.

For the self-employed and smaller companies we will develop a competency route to Fellowship based on leadership and management standards. These new standards will improve progression to senior management, capturing future skills needs and enabling succession planning in the industry at a critical time of demographic change.

Leadership: Raise the awareness of the global construction management discipline through Government and public affairs engagement in UK and overseas.

Crucial to the future engagement we have with Government, and those who operate in public affairs, is a revamped Policy Board which will inform the strategic direction of Institute policy. This will include building effective relationships with policymakers both in the UK and overseas.

Research will continue to underpin public affairs engagement, developing policy positions on key topics such as migration and the socio-economic importance of the construction industry. Outcomes of research and core messages will be pushed through to policymakers via events and the Institute will once again be represented at the 2015 political party conferences.

We will also be looking towards the future, making members aware of the impact of digital technology and its potential to unlock new career opportunities. We will continue to push forward our work on skills with Government; ensuring construction is seen as a viable and rewarding career option for our young people.

Innovation: Put the web at the centre of the business and build on the successful launch of the CPD portal. Further develop e-learning and e-assessment.

We are committed in our implementation of a comprehensive technology strategy. 2015 will see further enhancements on how we maintain and control information. Our adoption of new technology will improve and simplify our business processes enabling us to maintain our high standards and enhance the level of service we provide to members and other stakeholders.

We will continue to invest in online learning and e-assessment to give greater access to our knowledge in an increasingly digital world.

Organisational development: Develop our organisation's people and processes to be fit for purpose.

Our people are at the heart of our success. We will remain committed to developing staff and their careers within our talent management and succession planning. Supporting those who wish to pursue further qualifications and training. And maintaining our high standards as verified by the Investor in People Silver standard.

18 TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

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

The trustees confirm that:

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

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

By order of The Trustees



Ghassan Aouad FCIOB

President
24 April 2015



Trustee
24 April 2015

INDEPENDENT AUDITORS 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 2014 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated cash flow statement 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).

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 18, the trustees are responsible for the preparation of the financial 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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2014 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 on pages 4 - 18 is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept by the parent charity; 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
24 April 2015

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

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014

		Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds	Total Funds Restated 2013 £000
	Note	2014 £000	2014 £000	2014 £000	2014 £000	
Incoming resources						
Incoming Resources from Charitable Activities						
Member Subscriptions	2	7,337			7,337	6,968
Examinations and other fees	3	815			815	609
Chartered Building Company Scheme	4	263			263	142
Charitable Income Chinese Subsidiary	5	366			366	344
Activities for generating funds						
Trading Turnover: Englemere Ltd	6	282			282	775
Investment income	7	154	6	4	164	48
Other incoming resources	8	2,667			2,667	1,282
Branch income from external sources		226			226	247
Total Incoming Resources		12,110	6	4	12,120	10,415
Resources expended						
Charitable activities						
Qualifications for Employers,	9	(1,242)	(33)	(7)	(1,282)	(1,335)
Careers in Construction,	10	(2,122)			(2,122)	(2,283)
Members & Prospective Members	11	(2,069)			(2,069)	(1,625)
Innovation & Leadership	12	(2,942)			(2,942)	(3,397)
Cost of generating funds						
Trading activities	6	(276)			(276)	(765)
Branch expenditure		(380)			(380)	(409)
Governance costs		(159)			(159)	(142)
Total resources expended		(9,190)	(33)	(7)	(9,230)	(9,956)
Net incoming/(outgoing) resources before transfers						
		2,920	(27)	(3)	2,890	459
Transfers between funds	24	3	-	(3)	-	-
		2,923	(27)	(6)	2,890	459
Taxation on profit of trading subsidiary	6	(1)			(1)	-
Net Income/ (expenditure) for the year		2,922	(27)	(6)	2,889	459
Other recognised gains and losses						
Unrealised gain on investment assets	19	177	5	7	189	176
Net movement in funds carried forward		3,099	(22)	1	3,078	635

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2014

		Unrestricted Funds	Restricted Funds	Designated Funds	Total Funds	Total Funds Restated
	Note	2014 £000	2014 £000	2014 £000	2014 £000	2013 £000
Reconciliation of funds		3,099	(22)	1	3,078	635
Net Movement in funds brought forward						
Total funds brought forward at 1 January 2014		8,089	281	394	8,764	8,129
Fund balances carried forward at 31 December 2014	24	11,188	259	395	11,842	8,764

All incoming resources were from continuing activities.

There are no recognised gains or losses other than those shown above.

The Consolidated Statement of Financial Activities incorporates the income and expenditure account and the statement of total recognised gains and losses.

The notes on pages 24 to 36 form part of these financial statements.

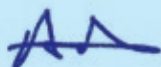
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BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014		2013	
		Group £000	Institute £000	Group £000	Institute £000
Fixed assets					
Tangible fixed assets	17	922	919	1,074	1,071
Investment in subsidiary undertakings	18	-	11	-	11
Other investments	19	10,153	10,153	7,162	7,162
		11,075	11,083	8,236	8,244
Current assets					
Debtors	20	614	636	695	676
Cash at bank and in hand	21	2,878	2,609	2,760	2,491
		3,492	3,245	3,455	3,167
Current liabilities					
Creditors: amounts falling due within one year	22	2,725	2,648	2,927	2,764
Net current assets		767	597	528	403
Total net assets		11,842	11,680	8,764	8,647
Funds					
General fund	24	11,188	11,026	8,089	7,972
Designated funds	24	395	395	394	394
Restricted fund	24	259	259	281	281
		11,842	11,680	8,764	8,647

The financial statements were approved by the Trustees on 24 April 2015



President



Trustee

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CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

		2014		2013	
	Note	£000	£000	£000	£000
Net cash inflow from operating activities	25		500		416
Return on investments and servicing of finance					
Investment income and interest	7		164		48
Capital expenditure and financial investment					
Receipt from sale of Investments	19	14		39	
Payment to acquire Investment	19	(2,817)		(5,750)	
Receipt from sale of Tangible Fixed Assets		2,313		5,750	
Payments to acquire tangible fixed assets	17	(55)		(783)	
Payments to acquire tangible fixed assets in subsidiary		(1)		(1)	
			(546)		(745)
Increase / (decrease) in cash	26/27		118		(281)

NOTES TO THE FINANCIAL STATEMENTS

I. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of freehold premises and investments, and in accordance with the Statement of Recommended Practice (SORP), Accounting & Reporting by Charities 2005, Charities & Trustees Investment (Scotland) Act 2005 & comply with the Charities Act 2011. There were no changes in accounting policies during the year. In order to comply with the SORP both current and prior year figures incorporate the results of the Institute's Branches, Centres and Groups where material.

No separate Statement of Financial Activities has been presented for the Institute alone as permitted by paragraph 397 of the SORP. The charity's incoming resources for the year were £11,471k (2013: £9,296k) and its surplus for the year was £3,032k (2013: £628k).

Consolidation

The financial statements include the results of the Institute and its wholly-owned trading subsidiaries; Englemere Limited & Englemere Building Consultancy Services (Chongqing) Co Limited.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. 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 are to 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.

Income

All income is accounted for on an accruals basis. Subscription income for 2015 received in advance in 2014 is deferred on the basis that it relates to that later accounting period.

Branches & Centres

The activities and funds of the Institute's Branches etc. established by the Institute are regarded as those of the Institute itself and are incorporated in the consolidated Statement of Financial Activities.

Resources expended and basis of allocation of costs.

All expenditure is included 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 have been attributed to charitable activities. Costs that are not allocated to these activities are included within cost of generating funds and governance costs in the consolidated Statement of Financial Activities. Support costs are apportioned across the activities to which they relate on the basis of percentage of overall direct cost.

Defined contribution pension scheme

The Institute operates a defined contribution pension scheme and the costs in relation to this scheme are charged to the Statement of Financial Activities as they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

Leases

Operating lease payments are charged to the Statement of Financial Activities when paid. There were no assets held under finance leases.

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%
Motor vehicles	25%
Membership database	20%

Stocks

The Institute and Group no longer hold stock since the closure of the CIOB Bookstore.

Investments

The Institute's investment portfolio is managed by external investment managers and is stated at market value. Gains and losses on individual investments are treated as unrealised as the proceeds remain within the managed fund. Investments in subsidiary undertakings are held at cost, based on the shareholding invested in each entity.

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.

Governance costs

Governance costs include direct items such as external audit, legal advice for Trustees, the cost of Trustee meetings, council meetings and project directorate.

2. MEMBERSHIP SUBSCRIPTIONS

	General Fund £000	Total 2014 £000	Total 2013 £000
Renewals	6,991	6,991	6,661
New Members	346	346	307
	7,337	7,337	6,968

The 2013 figures have been restated to show the split between membership renewals and new members' subscriptions, however the 2013 total of £6,968k has not changed.

NOTES TO THE FINANCIAL STATEMENTS

3. EXAMINATIONS & OTHER FEES

	General Fund	Total 2014	Total 2013 Restated
	£000	£000	£000
Membership fees & Certification	467	467	295
Interviews	147	147	152
Examinations & Education Income	181	181	151
Other	20	20	11
	815	815	609

4. CHARTERED BUILDING COMPANY SCHEME

	General Fund	Total 2014	Total 2013
	£000	£000	£000
Chartered Building Company Fees	195	195	67
Chartered Building Consultancy Fees	64	64	71
Joining fees	4	4	4
	263	263	142

CBC income received during the year, has been recognised on a prepaid basis so that income is recognised over the period of the length of membership.

5. ENGLEMERE BUILDING CONSULTANCY SERVICES (CHONGQING) CO LTD

Englemere Building Consultancy Services (Chongqing) Co Ltd is a wholly-owned subsidiary through which we manage our charitable activities in China.

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

	2014	2013
	£000	£000
Turnover	366	344
Cost of sales	(326)	(256)
Operating Profit	40	88
Retained loss brought forward	132	44
Profit retained by subsidiary	172	132

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

	2014	2013
	£000	£000
Fixed Assets	3	3
<i>Current Assets:</i>		
Debtors	12	13
Cash at bank & in hand	228	212
	243	228
Creditors: amounts falling due within one year	(61)	(86)
	182	142
Capital and Reserves		
Share Capital	10	10
Profit & Loss Account	172	132
	182	142

NOTES TO THE FINANCIAL STATEMENTS

6. ENGLEMERE LTD

Englemere Limited arranges and manages conferences, other events on behalf of the Institute and also provides member benefit services to members. The profits of Englemere Limited are covenanted to the Institute and therefore no corporation tax is payable other than small sums in respect of expenses not allowable for tax.

Englemere Limited's directors during 2014 were Christopher Laing, Christopher Blythe, Geoffrey Wright and Robert Heathfield.

Profit & Loss Account of Englemere Limited

	2014	2013
	£000	£000
Turnover	359	928
Cost of sales	(348)	(913)
Gross Profit	11	15
Other operating charges	(5)	(96)
Operating Profit / (Loss)	6	(81)
Taxation	(1)	-
Profit / (Loss) after taxation	5	(81)
Profits covenanted to parent charity	-	-
	5	(81)
Retained profit brought forward	(15)	66
Loss retained by subsidiary	(10)	(15)

Balance Sheet of Englemere Limited

	2014	2013
	£000	£000
<i>Current Assets:</i>		
Debtors	78	139
Cash at bank & in hand	41	56
	119	195
Creditors: amounts falling due within one year	(128)	(209)
	(9)	(14)
Capital and Reserves		
Called up share capital	1	1
Profit & Loss Account	(10)	(15)
	(9)	(14)

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT INCOME & INTEREST

	General Fund £000	Restricted Fund £000	Designated Fund £000	Total 2014 £000	Total 2013 £000
Income from investment portfolio	147	6	4	157	36
Interest receivable from cash on deposit	7			7	12
	154	6	4	164	48

8. OTHER INCOMING RESOURCES

	General Fund £000	Total 2014 £000	Total 2013 £000
Project Income	18	18	40
International Local Income	99	99	104
Surplus on Sale of Fixed Assets	2,313	2,313	750
Other Income	237	237	388
	2,667	2,667	1,282

The 2013 Other incoming resources column has been restated to separate out the surplus from the sale of fixed assets from the other income figure. The £2.3m surplus on sale of fixed assets related to the final payment for the sale of Englemere. It was also to reallocate £32k to exam fees in note 3 as this was incorrectly shown as other income in 2013.

9. QUALIFICATIONS FOR EMPLOYERS

	General Fund £000	Restricted Fund £000	Designated Fund £000	Total 2014 £000	Total 2013 £000
Awards & Research	375	31	6	412	220
Adjudication & Disciplinary	126			126	64
Other Costs	741	2	1	744	1,051
	1,242	33	7	1,282	1,335

10. CAREERS IN CONSTRUCTION

	General Fund £000	Total 2014 £000	Total 2013 £000
Members Information Service	885	885	1,179
CBC Scheme	265	265	173
Members Education & Exams	972	972	931
	2,122	2,122	2,283

11. MEMBER & PROSPECTIVE MEMBERS

	General Fund £000	Total 2014 £000	Total 2013 £000
Member Development	2,069	2,069	1,625
	2,069	2,069	1,625

29 NOTES TO THE FINANCIAL STATEMENTS

12. INNOVATION & LEADERSHIP

	General Fund £000	Total 2014 £000	Total 2013 £000
Members Development	2,616	2,616	3,050
Englemere Ltd	-	-	91
Englemere Building Consultancy Services (Chongqing) Co Ltd	326	326	256
	2,942	2,942	3,397

13. APPORTIONMENT OF MANAGEMENT AND ADMINISTRATION COSTS

	Qualifications for Employers £000	Careers in Construction £000	Members £000	Innovation & Leadership £000	Total 2014 £000	Total 2013 £000
Staff Costs	208	343	335	423	1,309	1,495
Support Costs	34	56	55	70	215	211
Other Costs	336	557	543	686	2,122	1,919
	578	956	933	1,179	3,646	3,625

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

14. GOVERNANCE COSTS

	General Fund £000	Total 2014 £000	Total 2013 £000
Audit	40	40	27
Trustees Costs	18	18	18
Other Governance Costs	101	101	97
	159	159	142

NOTES TO THE FINANCIAL STATEMENTS

15. STAFF COSTS

	Total 2014 £000	Total 2013 £000
Salaries	3,249	3,710
National Insurance Costs	292	303
Pension	201	253
Group Staff Costs	3,742	4,266
Charged to the Benevolent Fund Ltd & trading subsidiaries	(153)	(417)
Institute Staff Costs	3,589	3,849
	2014 No.	2013 No.
The average Institute number of employees including part time employees	121	134
The average group number of employees	127	158
Number of employees whose emoluments were over £60,000		
£70,000 - £79,999	2	-
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£110,000 - £119,999	1	1
£120,000 - £129,999	-	1
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-

In respect of the above employees, contributions for the year into a defined contribution pension scheme totalled £49,737 (2013: £99,690) and there are retirement benefits accruing for 5 employees (2013: 5) under a defined contribution scheme

There are adequate systems in place to manage expenses and these do not form part of remuneration.

31 NOTES TO THE FINANCIAL STATEMENTS

16. TRUSTEES

The Institute's Trustees, receive no remuneration from the Institute for Trustee duties. There was one payment to a Trustee for project management services and this is noted in Related Parties transactions on page 10. Trustees' travel expenses reimbursed during the year for attending Council meetings amounted to £17,545 (2013: £18,431). A list of the Trustees who received reimbursement of expenses is shown on page 8. Professional Indemnity & Trustee Liability insurance was provided during 2014 at a cost of £7,197 (2013: £7,085).

17. TANGIBLE FIXED ASSETS

Institute	Furniture & equipment £000	Motor Vehicles £000	Membership Database £000	Total £000
Cost or valuation				
At 1 January 2014	1,091	20	335	1,446
Additions during the year	55	-	-	55
Disposals	-	(20)	-	(20)
At 31 December 2014	1,146	-	335	1,481
Depreciation				
At 1 January 2014	158	20	197	375
Provided during the year	165	-	42	207
Disposals	-	(20)	-	(20)
At 31 December 2014	323	-	239	562
Net book value				
At 31 December 2014	823	-	96	919
At 31 December 2013	932	-	139	1,071

The fixed assets of the subsidiary of £3,420 (2013: £3,400) are included in the Balance Sheet on page 22.

NOTES TO THE FINANCIAL STATEMENTS

18. INVESTMENT IN SUBSIDIARY UNDERTAKINGS - INSTITUTE

	Total 2014	Total 2013
1,000 ordinary shares of £1 each in Englemere Limited (formerly Englemere Services Limited)	1	1
10,000 ordinary shares of £1 each in Englemere Building Consultancy Services (Chongqing) Co Ltd	10	10
	11	11

Englemere Limited is wholly owned by the Institute and covenants its profits to the Institute. The results of Englemere Limited are consolidated with those of the Institute in the consolidated Statement of Financial Activities and consolidated Balance Sheet. No separate profit and loss account has been produced for Englemere Limited in accordance with FRS8. The company is registered in England and Wales.

Englemere Building Consultancy Services (Chongqing) Co Limited is wholly owned by the Institute. The results of the company are consolidated with those of the Institute in the consolidated Statement of Financial Activities and consolidated Balance Sheet. No separate profit and loss account has been produced for Englemere Building Consultancy Services (Chongqing) Co Limited in accordance with FRS8. The company is registered in the People's Republic of China.

The Institute also has three wholly owned subsidiary undertakings formed in 1995 which have not commenced to trade. The names of the companies are: Institute of Constructors Limited, Institute of Construction Limited, Institute of Construction Engineers Limited. The issued share capital of each company, all of which are registered in England and Wales, is £2.

19. OTHER INVESTMENTS (Group & Institute)

	Managed Investment Portfolio £000	Total £000
At market value		
1 January 2014	7,162	7,162
Additions	2,817	2,817
Disposals	(14)	(14)
Change in market value	188	188
 31 December 2014	 10,153	 10,153
At cost		
1 January 2014	6,794	6,794
Additions	2,817	2,817
31 December 2014	9,611	9,611

The following investments represent more than 5% of the managed investment portfolio:

Schroder Equity Income Trust	8.2%,
Trojan Income Fund	8.6%,
The Majedie UK Equity Fund	8.5%,

33 NOTES TO THE FINANCIAL STATEMENTS

The managed investment portfolios were invested as at 31 December 2014 as follows:

	Investment value £000	Cost £000
UK Bonds	441	435
Overseas Bonds	634	622
UK Equities	4,289	4,075
Overseas Investments	2,565	2,295
Portfolio Funds	561	531
Property Funds	337	317
Other Investments	938	948
Cash	388	388
Total as at 31 December 2014	10,153	9,611

Total Investments at market value of the managed investment portfolio include £247,911 (2013: £265,459) of those of a Restricted Fund, the Queen Elizabeth II Jubilee Fund.

20. DEBTORS

	2014		2013	
	Group £000	Institute £000	Group £000	Institute £000
Trade debtors	119	78	104	36
Amount owed by trading subsidiary	-	113	-	132
Other debtors	166	165	285	284
Prepayments & accrued income	329	280	306	224
	614	636	695	676

21. CASH AT BANK & IN HAND

	2014		2013	
	Group £000	Institute £000	Group £000	Institute £000
Cash at bank and in hand	2,878	2,609	2,760	2,491
	2,878	2,609	2,760	2,491

NOTES TO THE FINANCIAL STATEMENTS

22. CREDITORS FALLING DUE WITHIN ONE YEAR

	2014		2013	
	Group £000	Institute £000	Group £000	Institute £000
Trade creditors	83	78	197	176
Tax & social security	94	74	105	88
Other creditors	235	214	170	154
Amounts owed to CIOB Benevolent Fund	3	3	68	68
Accruals and deferred income	2,310	2,279	2,387	2,278
	2,725	2,648	2,927	2,764

23. DEFERRED INCOME

	Institute & Group	
	2014 £000	2013 £000
Deferred income as at 1 January 2014	2,015	1,653
Income received and deferred	1,947	2,015
Taken to Statement of Financial Activities	(2,015)	(1,653)
Deferred income as at 31 December 2014	1,947	2,015

24. FUNDS**General Fund**

The General Fund is the Institute's main fund which is used to further its general charitable objectives.

	At 1 January 2014	Income	Expenditure	Transfers	At 31 December 2014
	£000	£000	£000	£000	£000
General funds	8,089	12,364	(9,268)	3	11,188

Designated Funds

	Bequests & Legacies Funds £000	Total 2014 £000
Balance at 1 January 2014	394	394
Transfer to /from General Fund	(3)	(3)
Net incoming resources	4	4
Balance at 31 December 2014	395	395
Represented By		
Tangible fixed assets	375	375
Cash at bank and in hand	20	20
	395	395

35 NOTES TO THE FINANCIAL STATEMENTS

The Bequests & Legacies funds are unrestricted bequests whose use has been designated by the Board of Trustees. This is made up of a number of funds used to fund expenditure on scholarships and other activities as decided upon by the Board of Trustees in the next financial year,

The Premises Reserve Fund was created for the capital maintenance of the Englemere Estate. The Revaluation Fund also related to the revaluation of the Englemere Estate. Both transferred to the General Fund on the sale of the Englemere Estate.

Restricted Funds	At 1 January 2014	Income	Expenditure	Transfers	At 31 December 2014
	£000	£000	£000	£000	£000
QE II Jubilee Fund	266	11	(29)	-	248
Sir Ian Dixon Fund	8	-	-	-	8
Sir Peter Shepherd Fund	7	-	(4)	-	3
	281	11	(33)	-	259

The Queen Elizabeth II Jubilee Fund is restricted to providing research scholarships and awards, which will make a practical and lasting contribution towards the improvement of standards in building practice and education. This is held as an investment and scholarships are funded out of investment income and capital growth.

The Sir Ian Dixon scholarship fund is restricted to the provision of scholarships by the Institute and is held as cash.

The Sir Peter Shepherd Fund is a restricted scholarship fund for overseas students and is held as cash.

Each of the restricted funds are restricted income funds.

The assets of each fund are sufficient to meet the Institute's obligations.

NOTES TO THE FINANCIAL STATEMENTS

25. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£000	£000
Net incoming resources for the year	2,890	459
Net Investment income and interest	(164)	(48)
Depreciation (including subsidiary)	208	142
Decrease in stocks	-	72
Decrease / increase in debtors	81	(102)
(Decrease) / increase in creditors	(202)	757
Surplus on sale of Fixed Asset	(2,313)	(750)
Adjust for accrued Capital Spend	-	(114)
Net cash inflow from operating activities	500	416

26. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET FUNDS

	2014	2013
	£000	£000
Increase / (decrease) in cash in the year	118	(281)
Net funds at 1 January 2014	2,760	3,041
Net funds at 31 December 2014	2,878	2,760

27. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2014	cash flow	At 31 December 2013
	£000	£000	£000
Cash at Bank	2,760	118	2,878

28. COMMITMENTS

	2014 Other	2014 Land & Buildings	2014 Total	2013 Land & Buildings
	£000	£000	£000	£000
Annual commitments for operating leases which expire:				
Within 2-5 years	7	-	7	-
Within 5-10 years	-	122	122	22
	7	122	129	122

There were no capital commitments at the end of 2014.



Reference and administrative details

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

