



Annual Report and Financial Statements

2017-18

31 March 2018

UKGBC Limited

Company Registration Number 01029239

Charity Registration Number 1135153



Foreword

This has been a very significant year for UKGBC as we celebrated our tenth anniversary, launched a new brand, and restructured our Board. I want to personally thank Andrew Gould for his leadership as UKGBC's Chairman (2014-2017), and Patrick Bellew and Steven Boyes for their service as UKGBC Trustees. I am delighted that David Partridge, Managing Partner of Argent, agreed to take up the mantle as our new Chairman, and that a number of high calibre new Trustees also came on board. I look forward to working with them all, alongside the hugely committed staff and contractors that make up the UKGBC home team, as we embark on the next decade of UKGBC's mission.

Having published our Ambitions for 2027, we are particularly focused on the impact we hope to achieve over the years ahead. So I am pleased to present here for the first time an integrated impact report alongside a set of financial results for the year just gone.

The environment within which we seek to achieve change continues to be challenging. Despite welcoming the ambitious tone of several key policy announcements this year, Brexit continues to dominate the political agenda as we push for greater certainty and detailed policy frameworks. Businesses in the built environment sector face growing uncertainty and significant risks, which provides a challenge for any organisation reliant on membership fees.

In spite of these, I would highlight several key achievements this year including:

- Launching our first State of Sustainability in the UK Built Environment interactive infographics
- Positive political engagement, with Ministerial attendance at several of our Parliamentary events, and plenty of opportunities for members to feed into central Government policy

- A much stronger presence in regional cities around the UK, with a particular emphasis on Manchester, Birmingham and Bristol
- The graduation of our 100th Future Leader, and our most diverse cohort yet of Future Leaders embarking on the 2018 programme
- Full refresh of our award-winning Learning & Development opportunities which reached over 3,500 professionals throughout the year
- Launch and dissemination of several high quality research outputs and toolkits, and four peer to peer member forums to facilitate knowledge sharing
- Roll out of our very first Innovation Lab alongside high calibre partners
- Welcoming 27 new members into our network, and four new Gold Leaf members
- Stable financial results, with a £14k surplus on our unrestricted activities enabling us to maintain our Trustees' stated reserves policy

It is encouraging that our movement continues to gather momentum, a crucial driver for which is the growing association between sustainability and value. As always, I am grateful for the support and active engagement of our members, with whom we look forward to working together for a better built environment.

Julie Hirigoyen
CEO, UKGBC

Contents

TRUSTEES' REPORT (INCLUDING IMPACT REPORT)

Who we are	4
Our model for change	5
Professionals	6
Businesses	8
Places	10
Sector	12
How we work	14
Thanks to our project sponsors	15
Future plans	16
Reference and administrative information	18
Financial Review	19
Principal risk and uncertainties	22
Structure, governance and management	23

INDEPENDENT AUDITOR'S REPORT 26

FINANCIAL STATEMENTS

Statement of financial activities	29
Balance sheet	30
Statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	36

Who we are



UKGBC is an industry-led network with a mission to radically improve the sustainability of the built environment. A charity with over 400 member organisations spanning the entire value chain, we represent the voice of the industry’s current and future leaders who are striving for transformational change.

We inspire, challenge and empower our members, helping them to identify and adopt the most sustainable, viable solutions. We also engage our members in advocating a progressive message to government, informing and influencing policy.

Our Vision is a built environment that enables people and planet to thrive by:

- Mitigating and adapting to climate change
- Eliminating waste and maximising resource efficiency
- Embracing and restoring nature and promoting biodiversity
- Optimising the health and wellbeing of people
- Creating long-term value for society and improving quality of life

Our charitable objectives are:

- To dramatically improve the sustainability of the built environment by radically improving the way it is planned, designed, constructed, maintained and operated ("Improving sustainability")*
- To advance the education of the public in the sustainability, conservation, protection and improvement of the built environment ("Education")*
- To promote the sustainability, conservation, protection and improvement of the built environment ("Raising awareness")*

* These are the activities as defined within the Financial Statements

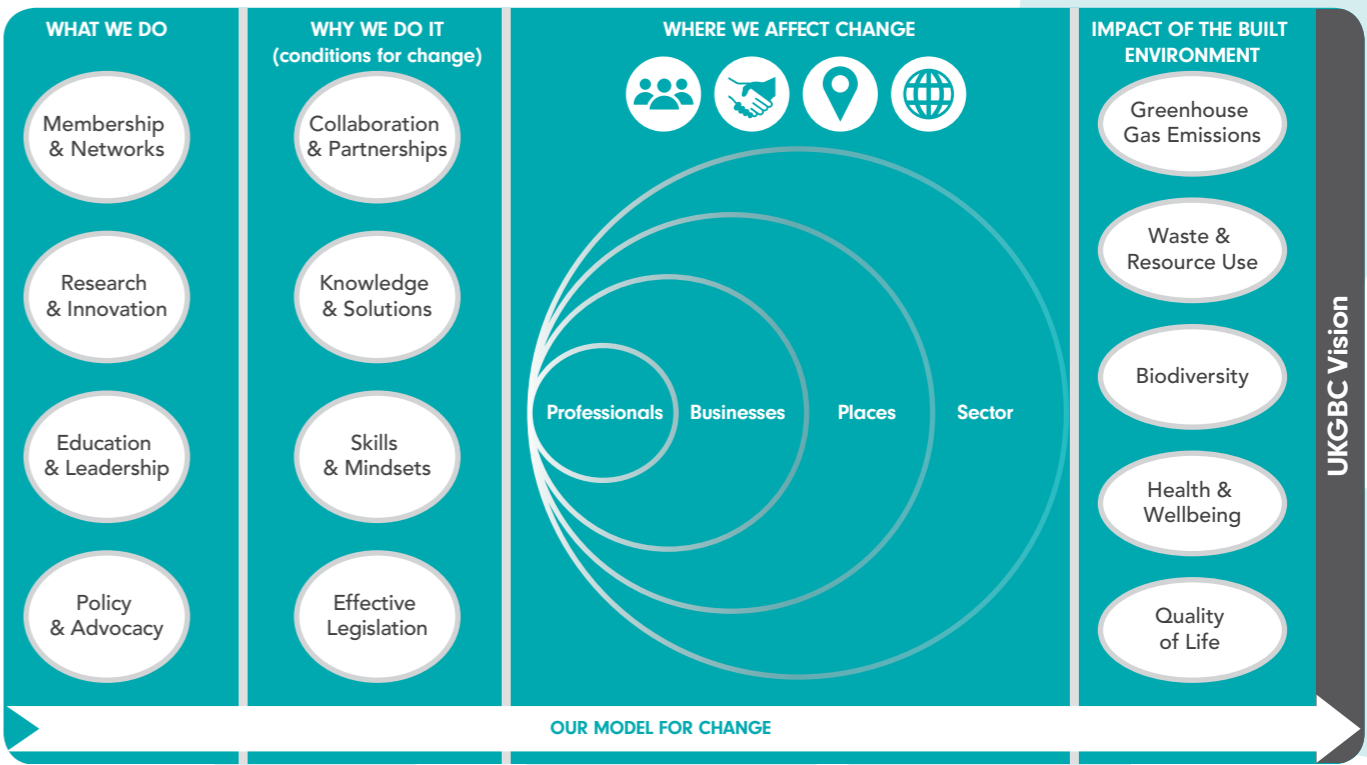
Our model for change

The model below demonstrates how the activities which we undertake create the right conditions for change in the built environment system, which enables us to affect change at different levels, namely:

- Professionals
- Businesses
- Places
- The Sector as a whole

In the past we have structured our Impact Report around our activities and reported largely on ‘what we do’. This year, for the first time, we have structured this report around the four levels above, in order to focus more clearly on the change which we are affecting through our activities.

This is enabled in part through the results of an end-of-year Member Impact Survey, which generated 100 responses from members. For the first time we asked structured questions designed to understand the extent of the causal relationship between progress our members are making, and their engagement with UKGBC. Extracts from the survey are included throughout this report, but the full set of results and comments will inform our work on an ongoing basis.



With thanks to Envoy Partnership for supporting our work in this area.

Impact level – Professionals



OUR 10 YEAR AMBITIONS

- Raising awareness of sustainability amongst all built environment professionals
- Deepening technical knowledge
- Cultivating purpose-led leaders in our member organisations

ACTION

- Complete refresh of the UKGBC learning portfolio. New e-learning courses, a webinar series and a more interactive format for face-to-face events – all went live in October
- New learning programme, 'Second Nature Live' – focusing on Birmingham Women's and Children's Hospital
- New peer-to-peer member forums to facilitate knowledge sharing on rating tools, infrastructure, construction, and university research
- Ongoing success of leadership programmes, with the graduation of our 100th Future Leader and 249 active participants across all leadership networks
- Learning delivered to 3,513 professionals (excluding bespoke courses), a more than four-fold increase on previous year
- 41 learning events delivered

41
learning events
delivered to
3,513
professionals

IMPACT

In our recent Impact Survey we asked a number of questions designed to understand to what extent UKGBC has enabled or supported members, as professionals, to catalyse positive change. The results were encouraging.

We asked members about a range of different actions that would indicate how effective they felt, as professionals, in driving sustainability:

- Amongst those who felt most positive about their own efforts, a large proportion of them – 72% – cite UKGBC as a significant support and enabler*
- The biggest impact UKGBC has in this area is on an individual professional's efforts to share knowledge. Of those who most strongly identified themselves as actively sharing sustainability knowledge, 79% felt UKGBC had a significant supporting and enabling role
- On average, 28% of members did not feel able to answer positively about their own role in driving sustainability. This demonstrates how there is still much to be done

These results are consistent with our ongoing monitoring:

- We are pleased that 51% of fee-paying members participated in our education courses & leadership programmes this year but that leaves almost half whom we need to more actively engage
- Of those trained, 95% reported an increase in knowledge

* Participants were shown five metrics about their own sustainability actions and behaviours. Those who said they 'Strongly agree' with a metric were then defined as feeling 'positive about their own efforts' for that metric. On average, across the five metrics, 72% of those feeling 'positive about their own efforts' then gave UKGBC a score of 4 or 5 out of 5 when asked about the extent to which they had been 'enabled or supported' by UKGBC for the metric in question.

"As I have seen throughout my career, it is often the actions of individual members of staff that can drive the sustainability aspirations of an entire organisation. UKGBC provides networking and support opportunities for those individuals so that they don't feel like they are a lone voice."

Emma Davies, Cambridge City Council

"The Sustainability in the Built Environment course reinforced the concepts of sustainability I practice in my role but rarely take the time to think about holistically. I especially liked the weekly digest which made it easy to learn. I've recommended the course to colleagues and would do so to anyone else. Great work UKGBC!"

Karl Desai, JLL

"Future Leaders has connected me with an inspiring group of like-minded professionals who have encouraged me to redefine my role in sustainability. It has expanded my thoughts on leadership and innovation, giving me tools to develop and sell ideas, and has empowered me to picture an exciting career ahead."

Vanessa Wall, AECOM

"The dynamics and engagement of the learning team and participants in the Second Nature Live Learning Programme has been key to deepen my own knowledge and perception of sustainable development. We're all getting outside our comfort zone which makes this programme so successful in my view."

Gabriela Costa, SWECO



Impact level – Businesses



OUR 10 YEAR AMBITIONS

- Growing the membership
- Strengthening member engagement
- Tracking corporate sustainability commitments of members
- Supporting the business case for sustainability

IMPACT

Our Sustainability 360 process, which we provide for Gold Leaf members, has demonstrated the progress being made over the last couple of years, with growing levels of commitment at the corporate level. We built on this in our Member Impact Survey, asking a broader sample of members whether their organisations were making strategic commitments on a range of key sustainability topics.

Importantly for our own evaluation of impact, we also asked questions designed to understand whether UKGBC had enabled or supported businesses to make such commitments.

- The most commonly made commitment was to incorporate a moral or social purpose within the company vision. 70% had a commitment in place, and a further 23% were planning to introduce one
- Also prevalent was a health & wellbeing strategy (a total of 81% either committed, or planning a commitment) and – arguably quite surprisingly – a commitment to science based targets (a total of 79% either committed, or planning a commitment)
- The least commonly made commitment was to no net biodiversity loss, or net environmental gain. Only 16% had a commitment in place, although 33% were planning to introduce one

On the whole these results are positive. However, more challenging for UKGBC is to demonstrate the link between our own activities and the commitments our members are making at the corporate level. For members where there was a commitment in place:

- On average almost a third credited UKGBC with having an enabling impact on having made their corporate commitments
- This figure rises to approximately half when including those members who felt UKGBC had a ‘medium’ enabling impact*
- It is perhaps not surprising to see that the most frequently cited areas in which UKGBC has played a significant supporting or enabling role (for members who have commitments in place, or planned) are for health & wellbeing, and embodied carbon – two areas that have been a strong programmatic focus for UKGBC in recent years

These results present reasons for feeling encouraged, but also ample evidence that we can make further improvements to the way in which we offer support to, and challenge, our member businesses.

* A ‘significant’ enabling impact is considered to be 4 or 5 out of 5, while ‘medium’ enabling impact is considered to be 3 out of 5

ACTION

- Launch and dissemination of several high quality research outputs, including Delivering Low Carbon Infrastructure and Capturing the Value of Sustainability
- Completed ‘Sustainability 360s’ for 50 Gold Leaf members and published an aggregated summary report of progress, Leading the Way
- Delivered a Wellbeing Lab for Retail, helping member businesses take action on health and wellbeing. #WellbeingForRetail reached 225,415 different people
- Launched a new website and invested in social media communications to provide easier access to information and resources
- Worked with 5 members to deliver tailored learning solutions to their staff, winning the 2018 CIBSE Learning & Development Award for our tailored learning programme with Landsec
- Improved our average ‘member engagement score’ by 20%
- Increased the number of active member contacts from approximately 3,500 to 4,500

Number of active member contacts:
c. 3,500 → 4,500

#WellbeingForRetail reached
225,415 different people

“It was great to be a part of ‘Capturing the Value’ which was professionally facilitated by UKGBC, who succeeded in getting organisations to collaborate towards solving an important challenge. This report can help the industry become more sophisticated in quantifying and understanding the benefit of sustainable business practices and ultimately aid in decision making to lead to a better built environment.”
Steven Kellett, Argent LLP

“The measurement of our new business purpose strategy will adopt some of the metrics identified in UKGBC’s ‘Capturing the Value’ report. UKGBC’s ongoing work and support will be instrumental in helping GVA to live and demonstrate our brand purpose.”
Jon Gibson, GVA

“UKGBC’s Sustainability 360 gave us welcome new insights and we will use them to stretch ourselves as a business.”
Emily Hamilton, Grosvenor Britain & Ireland

“By taking part in the UKGBC Wellbeing Lab we now have a greater understanding of the specific requirements regarding physical working space for employees in the retail sector. The lessons we learnt are being fed into our company wide Plan A commitment to launch an improved health & wellbeing framework providing support to M&S colleagues on physical and mental health as well as social wellbeing.”
Zoe Young, M&S



Impact level – Places



OUR 10 YEAR AMBITIONS

- Forging strong relations between cities and members
- Influencing local government policy
- Impacting large scale regen projects
- Building local networks across the UK

IMPACT

Undoubtedly the highlight for this impact area was commitments made by Mayor of Greater Manchester, Andy Burnham, to introduce a zero carbon policy; deep retrofit strategy; and public authority tenancy of energy efficient buildings. This met several of UKGBC's key policy recommendations.

However, this relatively new area of work has perhaps been less visible for many in the membership, which was probably reflected in our Member Impact Survey results:

- We asked members about their perception of UKGBC's success at forging relations with local authorities, which members rated on average 3.2 out of 5 (1 being very unsuccessful and 5 being very successful).
- On the question of whether we had been successful at informing ambitious, consistent local government policy, members scored us 2.9 out of 5, although many members commented about the challenging scale of this task.
- Members gave UKGBC 3.1 out of 5 for our influence over large projects, to help demonstrate best practice in sustainable placemaking. This is actually higher than anticipated given this is a relatively new area of work, and additional comments made by members suggest this relates to the very positive response to our recent work on social value.

"Congratulations on the recent Social Value report and successful execution of the project up to the launch which was a great event. It's a fantastic report and I am delighted to have been involved with the Task Group."

Lisa Greenhalgh, Saint-Gobain

"The UKGBC housing standards playbook is a very useful resource, particularly the section on viability, which is our biggest issue."

Local Authority Planning Officer

"Influencing policy at a local or national level is only possible if the political will exists. UKGBC's work on cities and regions is making important headway."

Sarah Ratcliffe, Better Buildings Partnership



"I really value UKGBC's positive contribution in Greater Manchester. Their roundtable generated a lot of constructive ideas, many of which were the subject of discussion at the Green Summit. I look forward to UKGBC playing a key role as we now move through into detailed policy development and implementation."

Andy Burnham, Mayor of Greater Manchester



ACTION

- Launch of a new Cities Programme, to build relationships and partnership between UKGBC private sector members and local government
- Major new research and policy outputs, including Retrofit and Regeneration Task Group report; Social Value Task Group report; and Sustainability Standards in New Homes policy playbook
- A growing presence in target cities, with a particular emphasis on Manchester, Birmingham and Bristol
- A key role as the Buildings Lead in the Greater Manchester Green Summit
- 8 regional events
- 2 Mayoral roundtables
- 14 one-to-one meetings with local and combined authorities
- 28 local or combined authorities directly engaged in Cities Programme

8
Regional events

28
Local or combined authorities directly engaged in Cities Programme

Impact level – Sector



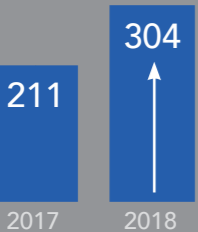
OUR 10 YEAR AMBITIONS

- Influencing national policy
- Supporting innovation
- Measuring the sector's progress

ACTION

- Launch of our first ever 'State of Sustainability in the UK Built Environment' interactive infographics, aimed at collating the most robust and reliable data that exists for the five themes covered by our Vision
- State of Sustainability – 4,651 web views
- Positive political advocacy, including ministerial engagement and opportunities for members to get involved
- 11 separate opportunities for members to participate in national government advocacy (in letters, workshops etc) – more than double the previous year
- Delivery of the Innovation Lab, including a series of activities to cultivate open source innovation and connect members to start up innovators
- 59 organisations engaged and 168 innovations identified as part of the Innovation Lab
- Increased our media profile for our campaign priorities – with 304 media mentions (up from 211 last year)

Media mentions



State of Sustainability
4,651
web views

IMPACT

Evaluating the success of political advocacy can be challenging. But we are heartened by several developments this year:

- Encouraging commitments made to carbon reductions from buildings in the Government's Clean Growth Plan
- Help-to-Buy mortgages in Wales to be assessed against the home's energy efficiency rating, thanks to LENDERS consortium involving UKGBC & partners

We asked members in our Impact Survey how much they value our advocacy activities and how successful we had been at positively influencing national built environment policies, regulations, and sectoral strategies:

- Members clearly value our policy and advocacy work, averaging 4.0 out of 5 (with 1 being no value, and 5 being highly valued), which is the highest score for any of our core activity areas
- However, members judged our ultimate influence to be modest at 3.4 out of 5 (with 1 being very unsuccessful and 5 being very successful), which is not surprising given a fairly challenging political context, which was reflected in members' comments

We asked members about our innovation activities, designed to support sectoral change, and it was a similar story:

- Members value our innovation activities, at 3.8 out of 5
- Our ultimate success at 'inspiring and supporting the creation of sustainable innovations which address market failures' is more modest, at 3.2 out of 5

However, we are encouraged that 11 start-up/corporate relationships have been brokered as a result of the Innovation Lab, the results of which have not yet been fully disseminated.

"These are tough times to be a catalyst for change. Holding the line, keeping the flag flying and highlighting success are achievements in themselves."
Sunand Prasad, Penoyre & Prasad

"UKGBC infographics and state of the sector reports are helpful context and can help to drive messages of scale, urgency, challenges and opportunities."
Sarah Pratt, Barratt Developments Plc

"The work of UKGBC is vital in supporting the UK Government to understand the opportunity that the built environment offers for transitioning to a sustainable society, while also driving the industry to improve."
Poul Wend Hansen, Balfour Beatty

"The Sustainable Infrastructure policy dinner was a great success from Tarmac's point of view and our thanks to UKGBC for the professional approach taken to the organisation and running of the event."
Martyn Kenny, Tarmac



How we work



OUR 10 YEAR AMBITIONS

Ensuring staff motivation and wellbeing; and ensuring sustainability is built into our organisational operations.

Targets set previously included:
a commitment to improve energy efficiency in our office by 40% by 2020, on a 2013-14 baseline; a target to source 100% of our electricity from renewables; contribute to local biodiversity initiatives; improve staff health and wellbeing through office refurbishment.

WHAT WE'VE ACHIEVED THIS YEAR

- Launch of a new Values into Action framework – the UKGBC Way – that now underpins 360 feedback for all staff as part of the annual appraisal process
- Completion of a gender pay gap analysis which concludes that we have no material concerns
- Thorough scoping of options for a new energy monitoring system to overcome obstacles to measuring energy use in order to accurately verify reductions
- Improved recording of the carbon footprint of declared staff travel
- Ongoing monitoring of air quality post fit-out
- Continued to advocate to The Building Centre and other tenants to secure a renewable energy tariff
- Continued work to make sure sustainability is promoted in the work and personal lives of staff
- Tree-planting day with Gold Leaf members – 2,500 trees planted
- 5 lunch clubs which promote sustainable, healthy food
- 4 film nights on topical sustainability issues
- Team workshop on the Sustainable Development Goals

"The new UKGBC office has been perfectly designed to cater to flexibility of working styles and make the most of the available space. The biophilic elements of the design, combined with a focus on air quality and natural light, have transformed the office into a calm and refreshing place to work."
Alex Smith, UKGBC

Thanks to our project and programme sponsors

- | | |
|---|--|
| Cities Programme | British Land, Buro Happold, GVA, Rockwool |
| Healthy Housebuilding | BRE, Hoare Lea |
| Wellbeing Lab – Retail | Forbo Flooring, Hoare Lea |
| Policy dinners/roundtables | Tarmac, UTC, WSP |
| Capturing the Value of Sustainability | Argent, Barratt Developments, Berkeley Group, JLL, The Crown Estate |
| 10 Year Anniversary | Atelier Ten, Barratt Developments, BRE, Kingspan, Landsec and The Crown Estate |
| Next steps in holistic carbon reduction | University of Leeds – CIEMAP, Edinburgh Napier University, Landsec |
| Leadership Programme | Aggregate Industries, The Crown Estate, Grosvenor, Lendlease, Mitsubishi Electric, Sir Robert McAlpine |
| Innovation Lab | Canary Wharf Group, Landsec, M&S |



Future plans

PROGRAMMES

Advancing Net Zero

Inspired by the WorldGBC campaign, the work will be wide ranging and will represent the foundations for a major new programme in the UK, involving desk-based work, workshops and collaborations. We plan two significant pieces of work in summer 2018:

- Identifying the role of the built environment in delivering a net zero UK
- Translating a net zero objective into digestible principles for buildings, policy and regulation

Cities Programme

The second year of our Cities Programme will see us build on our work to date – deepening engagement with local authorities and catalysing partnerships with members. We will be launching a dedicated training course on social value within new development; helping to coordinate retrofit-led regeneration strategies across several core cities; and expanding our work on housing standards following recent publication of our policy playbook.

Circular Economy

Over the next 2 years we will be running a series of live experiments, testing the application of circular principles on real estate assets and construction projects. Through this programme we hope to achieve the following:

- Facilitate collaborative approaches to overcome common obstacles preventing a circular economy and improve circular outcomes across a series of live projects
- Create practical tips and lessons learnt for widespread application and policy development
- Address business models and wider systemic changes needed to advance a circular economy

Innovation

The UKGBC Innovation Programme is designed to enable business to respond to future trends, gain clarity on the problems we need to solve in the built environment, and map both new and emerging innovation to these challenges. To do this, we shall:

- Establish an Innovation Portal to match built environment challenges with innovative solutions
- Establish an annual student hackathon
- Deliver matchmaking events and create corporate/innovator partnerships

Leadership

Our prestigious leadership programmes help develop people on their leadership journey, whatever stage they are at. Our leadership programme has three main elements, all of which help participants lead their organisations sustainably:

- Future Leaders, now in its fifth year, is designed for early stage professionals
- The Change Accelerator is for senior leaders in the built environment
- Our Leaders Network contains over 100 board-level leaders and CEOs from across the built environment

ACTIVITIES

Policy and Advocacy

There are a number of live policy areas with significant implications for our mission over the next financial year. This includes the Clean Growth Strategy, the Industrial Strategy, the 25 Year Environment Plan and Brexit.

UKGBC will continue to facilitate opportunities for members to participate in policy and advocacy through consultation responses, roundtables, workshops, events, joint letters, dinners etc.

Learning and Development

Our refreshed, award-winning learning and development programme brings a number of flexible learning formats to our membership for all experience levels. Our varied programme will include:

- A number of introductory bite-size learning opportunities to raise sustainability awareness
- Monthly face-to-face learning opportunities with industry experts
- Immersive programmes which develop multi-disciplinary learning for high skill-levels
- Customised learning to fit member needs

Industry Research

As well as the research involved in our five major programmes, we will be running a number of additional industry research projects and forums, including:

- Capturing the Value of Sustainability roundtables and a second project
- Climate resilience project
- Member forums on Rating Tools, University Research, Contractors and Infrastructure

Membership

UKGBC will continue to convene our diverse membership for peer-to-peer learning, research co-creation, open innovation and political advocacy. We will expand the geographical reach of our activities by formally launching our local networks in Birmingham, Bristol and Manchester, with dedicated part-time staff located in these cities.



Reference and administrative information

Status	The organisation is a charitable company limited by guarantee, incorporated on 29 September 2009 and registered as a charity on 24 March 2010.
Governing document	The company was established under Memorandum and Articles which established the objects and powers of the charitable company.
Board of Trustees	Claire Battles Alastair Bell Stephanie Hilborne OBE Stephen Boyes Bill Hughes Alison Nimmo CBE David Partridge Sunand Prasad Victoria Quinlan Alexandra Willey Rick Willmott
Company Secretary and Chief Executive	Julie Hirigoyen (appointed 17 September 2015)
Senior Management Team	
Chief Executive	Julie Hirigoyen
Director of Policy and Places	John Alker
Director of Learning & Innovation	Catherine Hirst
Head of Industry Engagement	Alastair Mant
Registered office	The Building Centre 26 Store Street London WC1E 7BT
Company Registration Number	01029239 (England and Wales)
Charity Registration Number	1135153 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street, London EC2V 6DL
Bankers	NatWest Bank 250 Regent Street, London W1B 3BN
Solicitors	Russell-Cooke LLP 2 Putney Hill, London SW15 6AB

The trustees present their annual report and the audited financial statements of UKGBC Limited for the year ended 31 March 2018.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 35 and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Financial Review

Results for the year

Total income for the year increased by £273,788 (14%) to £2,249,853 (2017: £1,976,065) compared to the previous year, whilst income from charitable activities increased by £233,720 (12%) to £2,172,593 (2017: £1,938,873).

The primary income source 56% of total income (2017: 64%) is membership subscriptions. These have decreased by £4,219, a 0.3% reduction. The decrease is as a result of increased level of attrition within Gold Leaf membership. However within the year there was an increase in Gold Leaf member recruitment which has maintained the subscription fees almost at previous year's level. Total membership fees in the year amounted to £1,254,757 compared to £1,258,976 in 2017.

Grant and contract income has increased by 145% to £341,115 (2017: £139,441) as a result of EU grant relating to a project on Energy Efficient Mortgages Action Plan (EeMAP). We also continued to be funded to employ the WorldGBC European Policy Officer and to work on the Build Upon and EeMAP. A total of £106,112 of this income was retained at the year end and is held in restricted funds.

Education course income increased by 16% to £257,658 (2017: £222,823), as a result of growth in both our Leadership activities and an increase in Bespoke courses run for members during the year.

Major event income increased by 38% to £55,000 (2017: £40,000) as a result of sponsorship for UKGBC's 10th Anniversary Event.

The value that we have received from expert members speaking at our education courses, the venues we have been donated to use without charge and secondees from member organisations who worked for us during the year, have been recognised as voluntary (in kind) donations. The value of these donations amount to £13,900 (2017: £13,000) and comprise 31% of voluntary income in the year.

Total expenditure increased by £182,544 in the year to £2,131,927 (2017: £1,949,383).

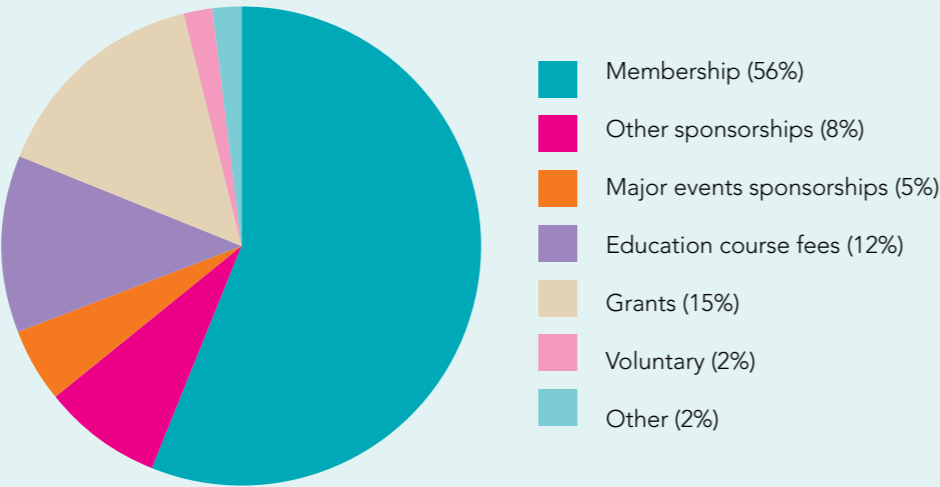
This is largely a result of expenditure associated with the EeMAP project and investment in new brand identity and website development. As demonstrated within the statement of financial activities by the surplus achieved in the year these had been accommodated.

Staff costs remain our biggest single cost, comprising 63% (2017: 65%) of costs at £1,348,971 (2017: £1,275,103) in total.

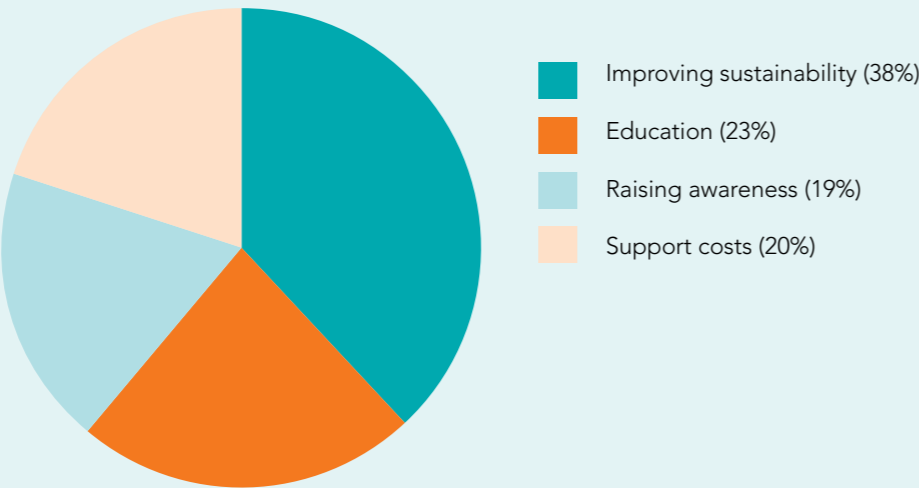
Support costs in the year came to £432,708 versus an equivalent of £357,923 in the previous year which is mainly as a result of increased cost of depreciation from leasehold improvement expenditure and increase in support staff within the financial year.

Overall the charity generated a surplus of £117,926 (2017: £26,682) in the year, which increased charitable funds to £942,132 (2017: £824,206). Of the year end funds balance, £106,112 (2017: £2,485) are restricted to specific ongoing projects and will be expended in future years. £836,020 (2017: £821,721) are held in unrestricted reserves at the year end.

Where our funds come from



Analysis of our expenditure



Reserves policy and financial position

The trustees have set a reserves policy that requires that unrestricted reserves be maintained at a level that ensures that UKGBC's core activities could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained on deposit. The calculation of the required level of reserves is an integral part of UKGBC's planning, budgeting and forecasting cycle. It takes into account the risks associated with each stream of income and expenditure varying from budget; the planned activity level; and UKGBC's future commitments. At the present time the trustees consider that an appropriate level of reserves would be sufficient to meet four months of operating costs excluding depreciation of approximately £705,000.

As at 31 March 2018, free reserves (excluding the net book value of fixed assets) amounted to £752,196 which is broadly in line with the above reserves policy.

The trustees are of the view that the charity is a going concern.

Investment policy and performance

The trustees have wide ranging powers of investment as determined by the Memorandum and Articles. Due to the charity's reserve requirement (see above), funds are held that exceed the short-term expense requirements and forecast programme costs, but to which access may be required at short notice. Therefore excess funds are placed in fixed deposit accounts with a basket of UK retail banks. The maturity of these funds is designed to correspond with forecast expenditure and reserve requirements, whilst the nature of these investments ensures that no unnecessary risks are being taken with our funds.

Funds required to meet liquidity and short term expenditure requirements are retained in interest bearing current account with the charity's bankers.

The invested funds held in fixed deposit accounts together with those in interest bearing current accounts achieved an average rate of return of 0.3% (2017: 0.88%).

Principal risk and uncertainties

The Board of Trustees has the overall responsibility for the governance of risks and ensures there are adequate and effective systems in place to mitigate these. It is recommended that these risks are reviewed annually as an intrinsic part of strategy setting and upon consideration of new opportunities. The trustees continue to assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances and reputation. The trustees have established systems to monitor and to mitigate those risks and continue to review their effectiveness.

UKGBC has an open and accountable culture, which recognises that risk is inherent in business, particularly where we are aiming to be innovative and ahead of the curve. So, we adopt an open and proactive approach to risk management, with a view to being proactive and pre-emptive rather than box ticking.

UKGBC's Senior Management Team conducted an exercise to review and discuss the risk profile of the organisation in light of key risk developments that occurred in the past financial year, and in finalising its plans for the year ahead. This has also involved input from UKGBC's Finance & Operations Senior Manager, who is responsible for overseeing aspects of operational and financial management.

The revised risk management framework was reviewed and approved by the Risk & Audit Committee and by the Board. UKGBC's risk management framework is designed to identify the principal risks faced by the organisation and ensure that these are being appropriately monitored. In the case of each of the principal risks, controls are in place and mitigating actions will be allocated to individuals on the team who will be tasked with the requisite accountability. A risk report is presented and discussed at each of the quarterly Risk & Audit Committee meetings, and annually by the full Board of Trustees.

The trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The significant risks and uncertainties identified through the above process are discussed below:

Risk identified	Action taken to mitigate the risk
Market risks (linked to member retention and recruitment)	<ul style="list-style-type: none">Factor in higher attrition rate into budget FY2018/19 and target significant new member incomeImplement member retention plan and overhaul member communications strategyConduct exit interviews with all high value lapsing members
Financing risks	<ul style="list-style-type: none">Target alternative sources of funding to diversify income further
Programmatic risks	<ul style="list-style-type: none">Formalise project management methodology and templates and centralise marketing and communications initiatives to ensure greater consistency in messaging and branding

Structure, governance and management

Governing Document

UKGBC was formed in 2006 as a company limited by guarantee and is governed by an amended Memorandum & Articles of Association dated 29th September 2009. The Charity Commission formally registered the company as a charity on 24th March 2010.

Recruitment and appointment of trustees

The Board of Trustees, who are also directors for the purposes of the Companies Act 2006, consists of not fewer than four and no more than twelve persons elected by members of the charity; in addition the Board has the power to appoint trustees to fill vacancies, and may co-opt up to four more individuals from across the sustainable built environment sector. trustees are confirmed in post by an election process, and typically serve for an initial three years, whereupon they retire by rotation. They may seek re-election.

The following trustees were in office and served between 1 April 2017 and up to the date of approval of this report, except where shown.

Trustee	Appointed/Resigned
Claire Battles	Appointed 28 September 2017
Alastair Bell	Appointed 28 September 2017
Patrick Bellew	Resigned 28 September 2017
Steven Boyes	Resigned 1 February 2018
Andrew Gould	Resigned 28 September 2017
Stephanie Hilborne OBE	
Bill Hughes	
Alison Nimmo CBE	
David Partridge	Appointed 28 September 2017
Sunand Prasad	
Victoria Quinlan	
Alexandra Willey	
Rick Willmott	Appointed 28 September 2017

Trustee induction and training

On election, each new trustee receives an induction pack including the 'Good Trustee Guide' published by the Charity Commission and a range of key organisational policies and documents. All trustees attend an induction which includes a presentation on the organisation, the opportunity to meet key staff and a question and answer session.

Management

The day-to-day management of the charity is delegated to the Chief Executive who is responsible for achieving the overall aims and objectives of the charity to agreed annual budget and target performance criteria.

Remuneration of key management personnel

The trustees consider they together with the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees’ expenses and related party transactions are disclosed in note 6 to the financial statements.

The pay of the Senior Management Team and all staff are reviewed annually by the Personnel Committee and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the trustees benchmark against pay levels in other similar organisations. The remuneration benchmark is the mid-point of the range paid for similar roles in similar organisations and sizes.

Statement of the trustees’ responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees’ report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company’s auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company’s auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

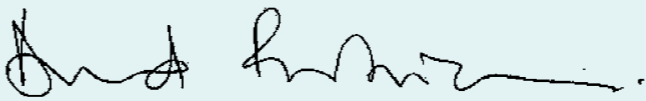
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public Benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

The trustees are confident that UKGBC’s aims and activities of Improving Sustainability, Educating, Campaigning for and Raising Awareness of the Sustainability of the Built Environment are in accordance with the regulations on public benefit.

Approved by the trustees and signed on their behalf by:



David Partridge
Chairman

Date: 25 June 2018

Independent auditor’s report to the members of UKGBC Limited

Opinion

We have audited the financial statements of UKGBC Limited (the ‘charitable company’) for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members 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 charitable company and the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2018 and of 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees’ report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees’ report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemptions in preparing the trustees’ report.

Responsibilities of trustees

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

Buzzacott LLP

Shachi Blakemore (Senior Statutory Auditor)

For and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 25 June 2018

Statement of financial activities
Year to 31 March 2018

	Notes	Un- restricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Income from:					
Donations and legacies	1	44,900	—	44,900	13,000
Charitable activities			—		
– Improving sustainability	2	1,417,498	341,115	1,758,613	1,542,397
– Education	2	322,668	—	322,668	312,431
– Raising awareness	2	91,312	—	91,312	84,045
Investments		3,960	—	3,960	10,692
Other trading income		28,400	—	28,400	13,500
Total income		1,908,738	341,115	2,249,853	1,976,065
Expenditure on:					
Charitable activities	3				
– Improving sustainability		778,705	237,488	1,016,193	976,954
– Education		610,463	—	610,463	548,468
– Raising awareness		505,271	—	505,271	423,961
Total expenditure		1,894,439	237,488	2,131,927	1,949,383
Net income and net movement in funds	5	14,299	103,627	117,926	26,682
Reconciliation of funds					
Brought forward at beginning of the year		821,721	2,485	824,206	797,524
Carried forward at end of the year		836,020	106,112	942,132	824,206

All recognised gains and losses are included in the above statement of financial activities.

All of the charity’s activities derived from continuing operations during the above two periods of report.

Full analysis of the comparative information between restricted and unrestricted funds is provided in note 14 to the financial statements.


Balance sheet

31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	7		83,824		131,186
Current assets					
Debtors	8	662,597		577,963	
Short term deposits		907,038		924,811	
Cash at bank and in hand		506,666		289,460	
		2,076,301		1,792,234	
Current liabilities					
Creditors: amounts falling due within one year	9	(1,217,993)		(1,099,214)	
Net current assets			858,308		693,020
Net assets			942,132		824,206
The funds of the charity:					
Restricted funds	13		106,112		2,485
Unrestricted funds	13				
– General funds			836,020		821,721
Total charity funds			942,132		824,206

The principal accounting policies and notes on pages 36 to 42 form part of these financial statements.

Approved by the trustees and signed on their behalf by:



David Partridge
Chairman

Date: 25 June 2018

Company Registration Number: 01029239 (England and Wales)

Statement of cash flows

31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	203,224	(18,299)
Cash inflow from investing activities			
Interest received		3,960	10,692
Purchase of tangible fixed assets		(7,751)	(141,473)
Net cash used in investing activities		(3,791)	(130,781)
Change in cash and cash equivalents in the year		199,433	(149,080)
Cash and cash equivalents at 1 April		1,214,271	1,363,351
Total cash and cash equivalents at 31 March		1,413,704	1,214,271

Notes to the statement of cash flows for the year to 31 March:

A Reconciliation of net income to net cash provided by (used in) operating activities

	2018 £	2017 £
Net income (as per the statement of financial activities)	117,926	26,682
Adjustments for:		
Depreciation charges	55,113	33,828
Investment income receivable	(3,960)	(10,692)
Increase in debtors	(84,634)	(123,861)
Increase in creditors	118,779	55,744
Net cash provided by (used in) operating activities	203,224	(18,299)

B Analysis of cash and cash equivalent

	2018 £	2017 £
Cash at bank and in hand	506,666	289,460
Short term deposits	907,038	924,811
Total cash and cash equivalents	1,413,704	1,214,271

Principal accounting policies

Year to 31 March 2018

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

General information

The charity is a company limited by guarantee, incorporated in England and Wales (company number: 01029239) and a charity registered in England and Wales (charity number: 1135153). The charity's registered office address is: The Building Centre, 26 Store Street, London, WC1E 7BT.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2018 with comparative information provided for the year to 31 March 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Preparation of accounts on a going concern basis

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Critical accounting estimates and areas of judgement

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the charity's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual result ultimately differ from those estimates.

Critical accounting estimates and areas of judgement (continued)

The items in the accounts where judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- determining the most appropriate basis for allocating support costs.

Income recognition

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably. Amounts received for application in future periods are held on the balance sheet as deferred income and released to the statement of financial activities in the relevant period.

Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

Income received in the year has been deferred in respect of specific events and education courses taking place after the year end.

Memberships fall due for renewal throughout the year membership. Consequently fee income is calendarised so that only the income for the accounting year is recorded and the balance carried as an accrual.

Donated services

Donated services and facilities are included as 'donations income' at a value equivalent to the estimated commercial cost that the charity would otherwise have incurred, and under the appropriate expenditure heading depending on the nature of service or facility provided, at the same value and time.

Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt. In the event that a grant or donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is comprised of the costs associated with the key strategic areas of activity being; improving sustainability, education and raising awareness. Support costs including governance costs are allocated between the various categories of charitable expenditure (see below),

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of costs

Expenditure allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time attributable to each activity.

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

Support costs also include governance costs. This relates to the cost incurred with meeting constitutional and statutory requirements and the costs associated with the strategic management of the charity.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities as incurred.

Tangible fixed assets

Assets costing more than £200 are capitalised. Fixed assets are recognised at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses.

Depreciation is calculated to write off the costs of the fixed asset capitalised over their estimated useful economic lives as follows:

- Computer equipment 3 years straight line
- Fixtures, fittings and equipment 25% reducing balance
- Leasehold Refurbishment 3 years straight line

Short term deposits

Short term deposits are cash amounts held by the charity with a maturity date of less than one year and held for investment purposes. They are measured at the cash value of the deposit.

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.

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.

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.

Financial instruments

The charity 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Funds

Unrestricted funds are income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Employee benefits

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Pension scheme

UKGBC operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of the charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year to the funds.

Notes to the financial statements

Year to 31 March 2018

1 Income from donations and legacies

	2018 Total £	2017 Total £
Donations	31,000	—
Donated goods and services	13,900	13,000
	44,900	13,000

2 Income from charitable activities

	2018 £	2017 £
Improving sustainability		
Membership income	1,254,757	1,258,976
Sponsorship income	145,207	133,565
Grant and contract income	341,115	139,441
Other income	17,534	10,415
	1,758,613	1,542,397
Education		
Sponsorship income	—	9,070
Major event sponsorship income	27,500	20,000
Education sponsorship income	10,000	33,955
Leaders Network sponsorship income	27,510	26,583
Education course income	257,658	222,823
	322,668	312,431
Raising awareness		
Grant and contract income	—	—
Sponsorship income	36,302	37,462
Major event sponsorship income	27,500	20,000
Leaders Network sponsorship income	27,510	26,583
	91,312	84,045
Total charitable income	2,172,593	1,938,873

Grant and contract income of £341,115 relating to improving sustainability is restricted in its application. All other income from charitable activities are unrestricted.

3 Expenditure on charitable activities

	Direct costs Other £	Direct costs Staff £	Support costs £	2018 £	2017 £
Improving sustainability	237,247	561,295	217,651	1,016,193	976,954
Education	198,389	296,934	115,140	610,463	548,468
Raising awareness	147,680	257,674	99,917	505,271	423,961
	583,316	1,115,903	432,708	2,131,927	1,949,383

4 Analysis of support costs

	Premises £	IT/ Comms £	Admin staff £	Accounts & finance £	Governance £	2018 £	2017 £
Improving sustainability	95,248	15,976	56,441	2,284	47,702	217,651	194,352
Education	50,388	8,451	29,858	1,208	25,235	115,140	88,120
Raising awareness	43,726	7,334	25,910	1,048	21,899	99,917	75,451
	189,362	31,761	112,209	4,540	94,836	432,708	357,923

Support costs of £432,708 (2017: £357,723) are divided in the proportion of the direct staff costs of each activity area, thus:

	2018	2017
Improving Sustainability	50%	54%
Education	27%	25%
Raising Awareness	23%	21%

5 Net income for the year

This is stated after charging the following:

	2018 £	2017 £
Auditor's remuneration		
– Audit	7,987	8,813
Depreciation	55,113	33,830
Pension costs	74,406	72,970

6 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2018 £	2017 £
Salaries and wages	1,105,865	1,065,101
Social security costs	124,736	104,878
Pension contributions	74,406	72,970
Medical and insurance	9,344	8,149
Other costs	34,620	24,005
	1,348,971	1,275,103

The average number of employees during the year on a headcount basis was as follows:

	2018 Number	2017 Number
Charitable activities	19	20
Support	3	2
	22	22

The number of employees whose emoluments for the year fell within the following bands were:

	2018 Number	2017 Number
£60k - £70k	2	1
£70k - £80k	1	—
£80k - £90k	—	—
£90k - £100k	1	1
£170k - £180k	1	1

The trustees consider that they together with the Senior Management Team comprise the key management personnel of the charity. The total remuneration payable to the key management personnel of the charity was £494,399 (2017: £422,129).

Trustees are not remunerated for their services to the charity. However, out of pocket expenses incurred in connection with the execution of their duties as trustees are reimbursed where claimed. In the year to March 2017, £770 was paid to one trustee as reimbursement of travel and subsistence expenses incurred in attending Board and Committee meetings. No out of pocket expenses were reimbursed in the year to 31 March 2018.

7 Tangible fixed assets

	Office equipment £	Computers £	Leasehold Refurbishment £	Total £
Cost				
At 1 April 2017	55,134	31,325	133,343	219,802
Additions	4,900	2,851	—	7,751
Disposals	—	—	—	—
At 31 March 2018	60,034	34,176	133,343	227,553
Depreciation				
At 1 April 2017	47,983	18,409	22,224	88,616
Charge for the year	2,926	7,739	44,448	55,113
Released on disposal	—	—	—	—
At 31 March 2018	50,909	26,148	66,672	143,729
Net book value				
At 31 March 2018	9,125	8,028	66,671	83,824
At 31 March 2017	7,151	12,916	111,119	131,186

8 Debtors

	2018 £	2017 £
Trade debtors	612,075	520,783
Prepayments	40,309	43,557
Other debtors	10,213	13,623
	662,597	577,963

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	54,104	66,481
Other taxation and social security	147,676	131,110
Deferred income	933,005	828,121
Accruals	71,069	59,160
Other creditors	12,139	14,342
	1,217,993	1,099,214

10 Analysis of deferred income

	2018 £	2017 £
Deferred income at 1 April	828,121	756,796
Applied during the year	933,005	828,121
Released during the year	(828,121)	(756,796)
Deferred income at 31 March	933,005	828,121

Deferred income relates to membership subscriptions received in advance.

11 Financial instruments

	2018 £	2017 £
Financial assets measured at fair value	2,030,444	1,735,247
Financial liabilities measured at amortised cost	(54,104)	(66,481)

12 Operating lease commitments

At the balance sheet date, the company total future commitments under non-cancellable operating leases as follows.

	Equipment		Land and buildings	
	2018 £	2017 £	2018 £	2017 £
Leases which expire:				
Within one year	4,747	4,747	124,764	118,823
Within two to five years	16,615	2,374	31,567	156,328
	21,362	7,121	156,331	275,151

13 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds 2018 £	Total funds 2017 £
Fixed assets	—	83,824	83,824	131,186
Current assets	124,275	1,952,026	2,076,301	1,792,234
Current liabilities	(18,163)	(1,199,830)	(1,217,993)	(1,099,214)
Net assets	106,112	836,020	942,132	824,206

14 Schedule of fund movements

	Balance at 1 April 2017 £	Income £	Expenditure £	31 March 2018 £
Unrestricted funds	821,721	1,908,738	(1,894,439)	836,020
Restricted funds				
– World GBC European Policy	5,379	55,859	(55,821)	5,417
– EeMAP	—	216,630	(115,935)	100,695
– EC Contract	—	13,087	(13,087)	—
– Build Upon	(2,894)	45,284	(42,390)	—
– LENDERS	—	10,255	(10,255)	—
Charity total	824,206	2,249,853	(2,131,927)	942,132

Restricted funds

World GBC European Policy

The World Green Building Council European Policy reserve relates to income received to fund the employment of a Senior European Policy Officer. The European Senior Policy Officer advises on European green building law and policy for the Europe Regional Network of over 30 national Green Building Council's around Europe, including UK GBC.

EeMAP (The Energy Efficient Mortgages Action Plan)

This reserve relates to a 2 year project funded by the European Commission's Horizon2020 research programme. The project aims to create a standardised "energy efficient mortgage", according to which building owners are incentivised to improve the energy efficiency of their buildings or acquire an already energy efficient property by way of preferential financing conditions linked to the mortgage.

EC (European Commission) Contract

This relates to income received from the European Commission for the design and delivery of a workshop to launch the new EU reporting framework, Level(s).

Build Upon

This relates to grant funding received from the European Union to fund work on the Build Upon project as part of a consortium of Green Building Councils from across Europe. The aims of the project are to help European countries design and implement strong, long-term national strategies for the renovation of their existing buildings.

LENDERS

This relates to income received from Innovate UK to fund a project to research the links between energy costs, affordability and mortgage borrowing. The project aims to build the evidence base for using more accurate estimates of energy bills in mortgage affordability calculations. If successful, this could allow higher lending for more efficient properties and eventually lead to a greater link between efficiency and property value.

15 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose.

16 Related party transactions

There were no other outstanding balances with related parties as at 31 March 2018 (2017: £nil). The total amount of donations received from trustees in the year was £nil (2017: £nil).

17 Comparative consolidated statement of financial activities

	Un- restricted funds £	Restricted funds £	2017 Total funds £
Income from:			
Donations and legacies	13,000	—	13,000
Charitable activities			
– Improving sustainability	1,402,956	139,441	1,542,397
– Education	312,431	—	312,431
– Raising awareness	84,045	—	84,045
Investments	10,692	—	10,692
Other sources	13,500	—	13,500
Total income	1,836,624	139,441	1,976,065
Expenditure on:			
Charitable activities			
– Improving sustainability	833,550	143,404	976,954
– Education	548,468	—	548,468
– Raising awareness	423,961	—	423,961
Total expenditure	1,805,979	143,404	1,949,383
Net income and movement in funds	30,645	(3,963)	26,682
Reconciliation of funds:			
Brought forward at 1 April 2016	791,076	6,448	797,524
Carried forward at 31 March 2017	821,721	2,485	824,206



UK Green Building Council

The Building Centre
26 Store Street
London WC1E 7BT

T 020 7580 0623
E info@ukgbc.org
Wukgbc.org

