



UKGBC Annual Report and Financial Statements 2018-19



Foreword



I am delighted once again to present in this Annual Report a combination of the impact we have generated, and the resources we have relied on in the form of our annual financial statements, for the year ended 31 March 2019.

2018/19 has undoubtedly been a pivotal year for the environmental movement, with scientific research on the scale of climate change and global ecosystems collapse triggering media and public concern on an unprecedented scale. The urgency of the challenges we face has catapulted such issues up the risk register for investors and businesses alike, and real estate and construction are no exception. So it is that we end the year on a very different note than we started it, and I'm proud to reflect on the role UKGBC has played in catalysing some of that change for the built environment.

The theme for this year's report is based on the idea of concentric circles of change. We know that all change starts from within, so individual people are right at the heart of UKGBC's model for change. As these built environment professionals evolve their leadership purpose and grow their influence, they begin to drive change across their teams and organisations, outwards to their clients and suppliers and ultimately jolting the whole system by calling for stronger policy and regulations. We know that ambitious business commitments and progressive policy-making go hand-in-hand – the one needing the certainty of the other. So it is across all these levels that UKGBC is seeking to make change happen – hence the focus of our Impact Reports being around Professionals, Businesses, Places and the Sector as a whole.

Within this document, we report on the scale of our **activity in numbers**. For instance, in 2018/19 UKGBC had:

- Over 90 individual events, courses, and training opportunities
- Almost 5,000 contacts within our member organisations engaging with our content
- Seven major outputs from our policy and industry research forums and Task Groups
- 40% of our members (and 2,832 people) participating in our learning and leadership programmes

For each of our activities, we also report on our **members' feedback** as a measure of their perception of our success in delivering impact.

And this year, we also invited **impact stories** from key staff and stakeholders to bring the activities and impact to life, and put some faces and details around the numbers. We are fortunate and extremely grateful for the time, passion and expertise that our members bring to UKGBC initiatives – which together enable us to achieve more than the sum of our parts. Without strong relationships and ambitious members we could not deliver against our mission.

So as ever I wish to thank my outstanding team, generous Trustees, committed members and extensive network of partners and supporters for their important contributions over the past twelve months.

Julie Hirigoyen
Chief Executive, UKGBC

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Leaders Network Dinner, March 21 2019



Who we are

The UK Green Building Council (UKGBC) is an industry-led network with a mission to radically improve the sustainability of the built environment. A charity with almost 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 charitable activities as defined within the Financial Statements accompanying this report.

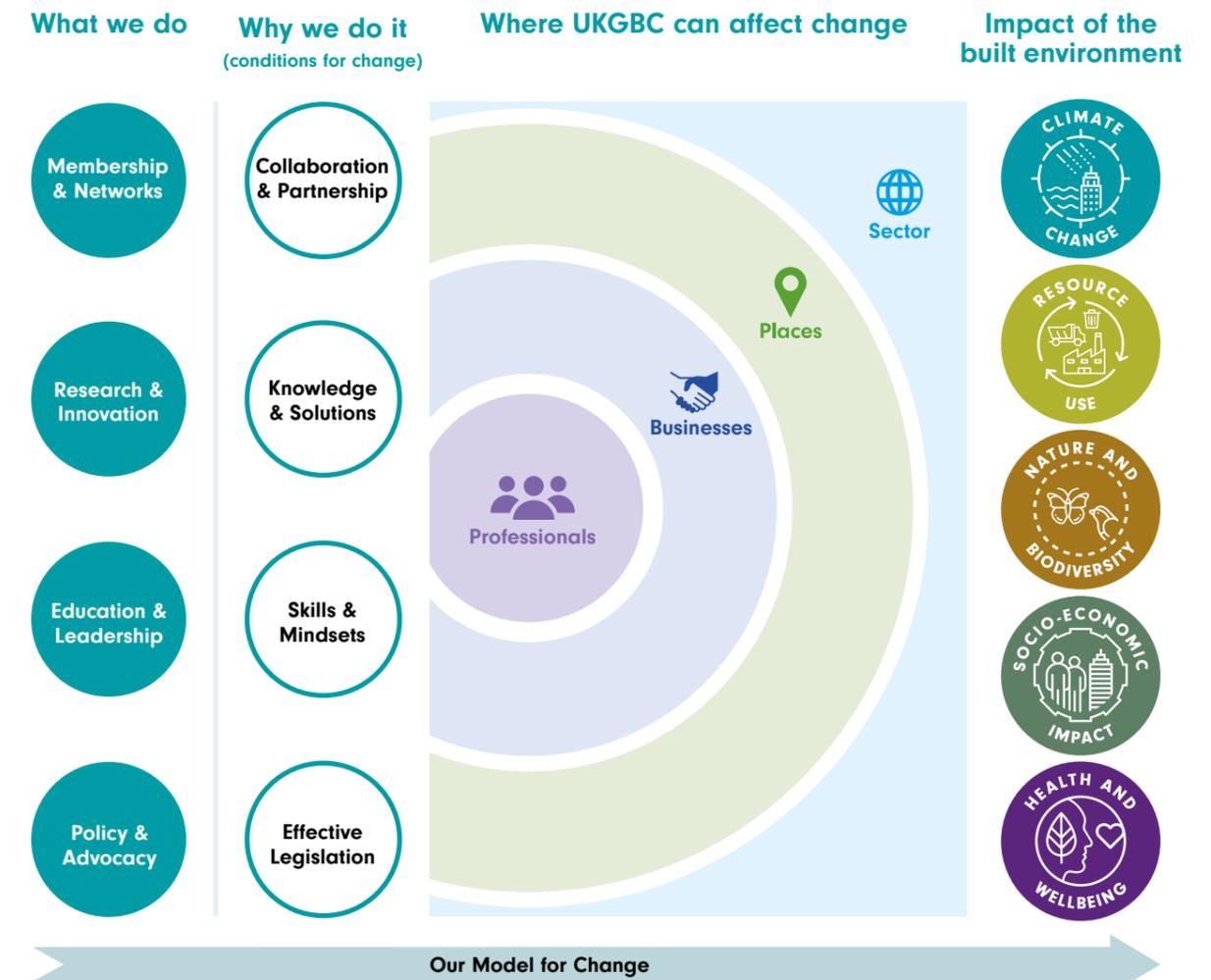
Our Model for Change

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

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

In the past we structured our Impact Report around our activities and reported largely on 'what we do'. Last year, for the first time, we began using the four levels as a lens through which to view our work, to focus more clearly on the change which we are affecting through our activities. We have continued that approach in this report.

This has been enabled in part through the results of an end-of-year Member Impact Survey, which generated over 100 responses from members. We have supplemented this with some fantastic 'Impact Stories' from the team and particularly from our membership, which form the substantive part of the report. After all, it is the relationship with our members that is at the heart of our Model for Change.



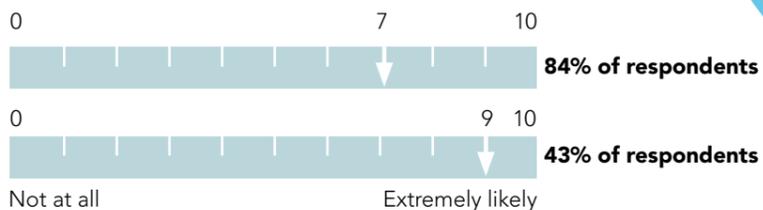
The year at a glance

(all figures as of 31/3/19)

#1

reason for being a UKGBC member:
"To maximise impact and make a difference...faster"

Member feedback: Likely to recommend UKGBC to others



2
 major task groups

66
 organisations contributed to UKGBC's Circular Economy Guidance for Construction Clients

92
 organisations participated in the Advancing Net Zero framework definition initiative

397
 member organisations,
4,965 individual contacts

88%
 member retention rate (by value)

4.4 million Twitter impressions

38,799 Twitter followers (+1,694 one-year growth)

4,214
 LinkedIn followers (+ 1,611 one-year growth)

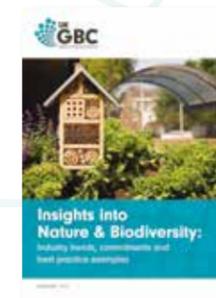
200+ media mentions

58 free events for members, including webinars, project-specific events, research and industry forums

13 Leadership events: Leaders Network, Chairman's Breakfast, Future Leaders and Change Accelerator plus alumni

7 reports or guidance documents produced

- Leading the Way on industry trends, commitments and best practice examples
- Insights into Nature and Biodiversity: Industry trends, commitments and best practice examples
- Sustainable Innovation Manual & Templates
- Innovation Insights: Making space as agile as Technology
- Housing Standards Policy Playbook (2nd & 3rd edition)
- Social Value Policy Guidance for Local Authorities
- Healthy Housebuilding



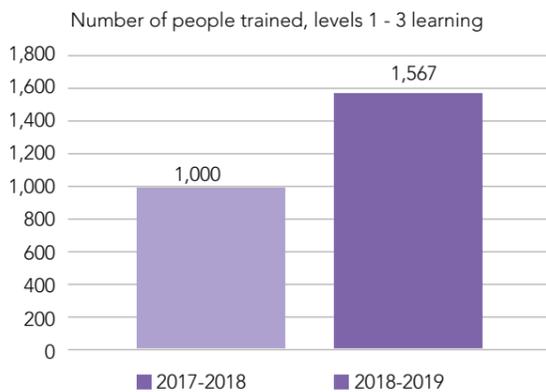
The year at a glance - by impact level

Professionals

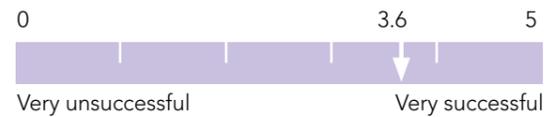
- 7,107 learning hours delivered to 2,832 people
- 30 education courses
- 40% of member organisations participating
- 3x increase in bite-sized online learning offerings
- 83% satisfaction rate
- 30% knowledge increase
- 248 active participants in leadership programmes
- 78 people on Future Leaders and Change Accelerator programmes



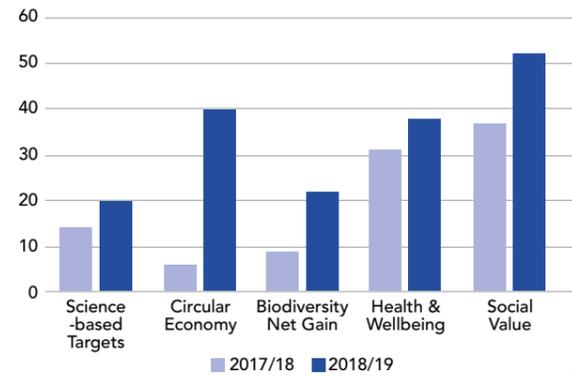
Professionals



Member feedback: UKGBC's support in developing deeper knowledge or new skills:



% of Gold Leaf member commitments



Business

- 50+ bespoke Sustainability 360 reports
- 17 customised learning programmes, for 5 UKGBC member organisations
- 2 major task groups
- 2 Actor and Resource maps



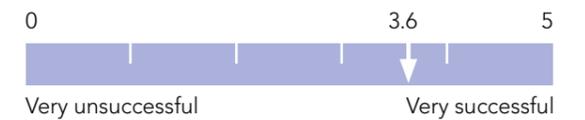
Businesses

UKGBC 2027 ambitions

- Raise awareness of sustainability amongst all built environment professionals
- Deepen technical knowledge and application of green building practices
- Support the transformation of member organisations through embedding customised learning solutions for their staff
- Make sustainability central to leadership in our member organisations, and cultivate purpose-led leadership amongst both current and future leaders

- Grow our membership to be fully representative of the entire built environment sector
- Deepen and strengthen our members' engagement with UKGBC activities
- Track the corporate sustainability journeys of our business members against key commitments such as:
 - Long-term science-based carbon targets and clean renewable energy
 - Substantial carbon, water and waste reduction goals and circular economy principles
 - Net zero or net positive impact across a range of different issues
 - Workplace impacts on both staff and the environment
- Enable our Gold Leaf members to demonstrate commercial success through their leading corporate sustainability commitments and performance

Member feedback: UKGBC's support in achieving their sustainability goals:



Places

- 1,159 individual contacts engaged through local networks
- 39 local authorities engaged in Cities Programme
- 14 new members outside London
- 13 regional events
- 3 major development schemes supported
- 2 submissions to local planning consultations



Places

- Forge strong relationships between city policy-makers and industry members
- Inform ambitious, consistent local policy on place-making, which supports industry leadership on key topics such as zero carbon, health and wellbeing, natural environment, resource efficiency and quality of life
- Influence the majority of the UK's largest regeneration projects to demonstrate best practice in sustainable place-making, backed by robust evidence and consistent standards
- Develop and maintain active UKGBC networks in every region

- Positively influence national built environment policies, regulations, and sectoral strategies
- Inspire and support the creation of sustainable innovations which address market failures
- Measure the sector's year on year progress against tangible metrics including
 - Carbon emissions from the built environment sector compared with 1990 levels
 - The number of buildings and schemes achieving net zero or net positive impact
 - Total floor space of buildings certified under a sustainable building rating scheme
 - Total investment in research and development and innovation by UK construction
 - Growth in market demand for sustainable buildings

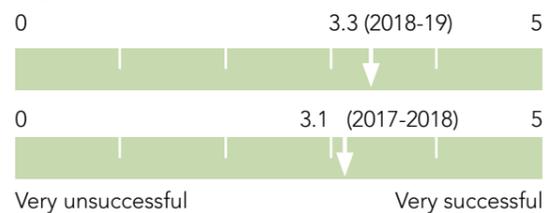
Sector

- 24 meetings with Westminster policy-makers, double the previous year
- 10 policy newsletters
- 6 submissions to Government consultations or Select Committees
- 8 new and unique ideas generated through the Innovation Sprint process
- 50 members participated in the Innovation Showcase

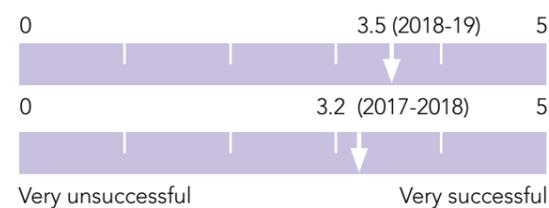


Sector

Member feedback: UKGBC's success in influencing large projects:



Member feedback: UKGBC's success in inspiring / supporting sustainable innovations



Impact stories

Inspiring people and changing mindsets

Bespoke Learning Programme

Mina Hasman, Associate, SOM

The bespoke sessions and workshops successfully delivered by UKGBC have helped to engage our leadership group and climate change champions at SOM on a broad range of topics under the umbrella of sustainability within the built environment. Thanks to these activities, we were able to prioritise sustainability related matters which are critical to our organisation. Understanding key challenges faced in the industry and turning them into opportunities through sustainability leadership was a fundamental learning for us.

UKGBC's experience and skills in delivering engaging sessions are remarkable. Their expertise in conducting bespoke activities has resulted in individuals - at all levels - feeling inspired and empowered. It has also challenged us - collectively - to look beyond today and to engage on continuous learning in order to progress in our sustainability journey to shape a better future. We look forward to the next instalment!



Impact levels:  Professionals  Businesses

Manhattan Loft Gardens, Stratford



Future Leaders

Michael Karling, Project Engineer, Banyards

The UKGBC Future Leaders Programme was a unique experience that has carried on beyond the course and into my work life. The most valuable lesson I have learned is to take more time defining the problem, for our innovation challenge we were given weeks to truly understand the problem our groups had been given.

Although this isn't possible in the fast-paced construction industry, I have learned to curb my instincts as an engineer to find a solution and allow time to fully understand the project's challenges, needs and potential. When I table a solution, I can utilise skills I learned from the storytelling sessions of the course to help me pitch my ideas effectively and concisely.

This approach will yield more innovative projects in my portfolio which will make me more effective in contributing to a sustainable built environment. I feel I now have the tools to create, develop and sell ideas to project collaborators and believe I can use them to further my own personal leadership journey into the future.

Impact level:  Professionals

Education

Elfrida Hamilton-Russell, Head of Learning & Leadership, UKGBC

Our learning programme is crucial for raising awareness of sustainability amongst built environment professionals, sharing knowledge, developing skills and even changing mindsets. This year we've delivered a phenomenal amount and variety of education courses, from online to face-to-face, to immersive programmes.

A particular highlight was our new bitesize 'coursemail', which proved to be highly accessible, with over 700 people completing the series. Ian Matthews, Head of Design at Banyards, said it "gives you an insight into what needs to be implemented into projects going forward and how they can be utilised". Feedback such as this is really encouraging, and it helps demonstrate the link between learning and application.

We also delivered an 'Insights and Innovations' webinar series, also a great option for time-pressed professionals. We were delighted with feedback, including Chris Whetstone at Avison Young who said "The ideas and knowledge shared through the series were exciting, interesting and unexpected. Speakers were leaders in their fields, the content fresh, concise and packaged up in an exciting programme."

Our face-to-face programmes remain a key offer as well, helping to build understanding and expertise. This year we delivered nine face-to-face courses for 161 participants in total, giving our members the opportunity to tackle a topic in more depth, enabling them to really take that learning back into their business and apply it practically.

Impact level:  Professionals



Sharing knowledge and personal experiences

Leaders Network

Jorge Mendonça, Executive Director, Grosvenor Developments



Businesses across all sectors today face seismic shifts in the way that markets operate. The climate emergency, natural systems collapse and growing social inequality are issues that Grosvenor, with a longstanding focus on stewardship, is taking seriously.

Navigating the unprecedented scale of change accelerating all around us is dependent on strong and courageous leadership.

That's why we continue to invest heavily in our senior management and were delighted to become strategic partner to UKGBC's Leadership Programme in 2018. We wholeheartedly support the charity's efforts to place sustainability at the heart of business leadership.

One of the cornerstones of UKGBC's offering is the Leaders Network – comprising over 140 CEOs and Board Executives – who meet regularly to exchange ideas and experiences, drive positive change and embrace their personal responsibility to leave a positive legacy.

I have been inspired by many stories of individual leadership exchanged through this Leaders Network; sharing personal stories about the courage, agility and resilience required to position their firms to adopt bolder ambitions. It's this kind of open and collaborative mindset, and a readiness to change the status quo, that we want our leaders to adopt for Grosvenor to succeed long into the future.



Impact levels: Professionals Businesses

Sustainability 360s & Leading the Way

Adam Smith, Project Director, Stanhope



Stanhope values its membership of UKGBC particularly for its role as a knowledge-sharing forum, and as a place to come together with similarly-minded organisations who aspire to sustainability leadership.

One of the key ways we experience this is through the process of 'Sustainability 360s', which are a cornerstone of our Gold Leaf membership. Last year's 360 review highlighted to us that whilst we perform well in conventional sustainability themes in construction, that there are emerging endeavours nationally and globally that we should consider aligning our efforts towards.

Being able to discuss these challenges in an environment of supportive peers is really helpful, and the annual Gold Leaf lunch was an opportunity to do just that. As well as our own tailored 360 report, UKGBC's Leading the Way report, which brought together aggregated data from all Gold Leaf members, was a useful way of keeping track of trends amongst this peer group.

We are now undertaking further research and internal discussion corporately as to how to not just keep pace, but to maintain a leading role in sustainable goals.



Impact level: Businesses

Change Accelerator

Julia Hawkins, Head of Communications and Policy, Bioregional



I went on the UKGBC Change Accelerator programme in 2018/19. A lot of what we covered in the course was about knowing who we are, accepting ourselves and building on our strengths – pretty deep stuff for a bunch of construction industry professionals! But it really helped me reboot my mission.

The first part of the course was aimed at helping us do some digging to uncover our purpose. This reminded me what I'm good at and unlocked renewed drive. But it was the work we did on storytelling, which I found particularly valuable and it inspired me to set a personal objective of building a storytelling culture at Bioregional.

For example, last December I ran a workshop on storytelling for Bioregional staff and Trustees, showing people how things like using personal anecdotes and emotion can be far more persuasive than relying on facts and figures. As an organisation we have so many fantastic stories to tell, the challenge is to use these to best effect. I continue to be committed to helping my colleagues get even better at inspiring others to create positive change – whether they are clients for our Sustainable Places advisory services, or government policymakers.



Impact levels: Professionals Businesses

Elmsbrook, NW Bicester, courtesy A2Dominion



Putting principles into practice



UKGBC Green Team
Zachary Rootes, Sustainability Advisor, UKGBC

UKGBC's Green Team designed activities and initiatives to showcase UKGBC's commitment to sustainability as an employer, an occupier and as a team. Over the past year, we set up an electronic waste amnesty to reduce the amount of waste to landfill, facilitated greater team cohesion through regular team Healthy Lunch Clubs and Green Film Nights, and embarked on an initiative to improve the take up of each UKGBC employee's volunteer days by signposting to volunteer opportunities and organising our own in conjunction with existing opportunity providers, such as the London Woodland Trust.

One major achievement, four years in the making, was the successful lobbying of our landlord to switch to a more renewable energy tariff for all tenants – 90% of our energy now comes from renewable sources.

For the coming year, we aim to build on our successes and have now committed to offsetting the 10% of our energy supply that comes from carbon intensive sources, whilst campaigning for 100% renewable energy. We have initiated numerous additional activities that both support our Mission and serve to build bonds within the team; an upcycling skills day, our inaugural Happy Plant Day to promote health and wellbeing and improve office air quality, and further opportunities to volunteer including a litter pick in conjunction with Spring Clean Great Britain.



Impact levels: Professionals Businesses

UKGBC Team Away Day



Circular Economy Programme
Andrew Day, Sustainability Director, Telford Homes Plc

In 2016 we set out our Building a Living Legacy sustainability strategy to 2024. One of its four principles was to 'balance our resources' by making a contribution to the circular economy. However, at this time, there were few policy, strategy or best practice examples that could help support accelerate our ambitions. Helpfully, circular economy is now rising up the policy agenda, in London and elsewhere, encouraged I believe, by the leadership position shown by many businesses including our own.

Given our strong interest in this topic we were pleased to be able to support UKGBC's Circular Economy Programme as a sponsor and Task Group member. This resulted in the production of guidance to promote the practical application of circular economy principles on construction projects. The collaborative process that led to its creation will help ensure this is an invaluable resource.

However, this is just the start of our circular economy journey. By using this guidance with our supply chain, of which some 90% are SMEs, we will explain to our customers and investors the benefits of moving towards a circular economy model – and I hope others will follow suit.



Impact levels: Professionals Businesses Sector

Innovation
Steve Sliney, Director, Collecteco



Collecteco helps UK businesses donate surplus furniture and equipment to charities, schools, voluntary groups, the NHS and other not for profit good causes. We have been involved with a number of UKGBC innovation activities, notably last year's Innovation Sprint, which tackled the circular economy, and we've also been engaged in UKGBC's work on social value, and the innovation opportunities this brings. As an SME it's been great to explore these challenges with other UKGBC members and be in discussions as the potential provider who can help corporates innovate, creating environmental and social value.

The frank and open conversations that we have witnessed and been a part of have been very encouraging and UKGBC's efforts have grounded activity in looking at the purpose and impact of innovation for all stakeholders. Being part of this activity has helped raise Collecteco's profile in the construction sector, which, in addition to helping us realise our company's purpose, has helped us engage with an industry that is important to our own business growth. I've appreciated the support we've received from UKGBC, which has been key to us being involved in this activity.



Impact levels: Businesses Sector

Convening industry know-how to advocate for change



Advancing Net Zero Programme

Louise Clarke, Group Sustainability Manager, Berkeley Group

The Advancing Net Zero programme is a timely and vitally important undertaking by UKGBC, helping to galvanise the UK built environment sector's response to the Paris Agreement targets, and linking up with consistent efforts internationally.

Berkeley Group was one of the first to sign the World GBC's Carbon Buildings commitment, which was the impetus behind our work to develop transition plans on our own developments to enable them to operate at net zero carbon by 2030.

A crucial element of the programme is UKGBC's Advancing Net Zero industry led definition Task Group, which is building consensus on a framework for net zero carbon buildings in the UK to inform policy and industry practice. There has been some interesting discussions around how we achieve a net zero carbon built environment as the experience of members varies across the industry. Different viewpoints can be explored in these meetings which helps to improve my personal knowledge and gain vital contacts within the industry.

In turn this knowledge and expertise has helped inform our understanding and determine our approach as a business, and I'm sure is already having an influence on policy at a national and local level.

Impact levels: Professionals Businesses Places Sector

National Policy & Advocacy

Jenny Holland, Public Affairs & Policy Specialist, UKGBC

These are strange and turbulent political times. Despite the dominance of Brexit on the political agenda, which of course is having very real impacts on much of our membership, there has been quite a lot to cheer over the last 12 months for UKGBC.

No doubt we have been kept busy. We have given evidence to Select Committees, met with Treasury officials around the Autumn Budget and Spring Statement, met the Housing Minister to talk about quality, sustainable design, and have engaged many officials at MHCLG. We have regularly collaborated with BEIS, including a joint roundtable on operational ratings, and workshop on non-domestic MEES; so too with Defra, with work on Circular Economy, and on net gain and the Environment Bill – on which we also coordinated a high profile letter to HMT.

The good news is, this is bearing fruit. We were heartened by the Chancellor's commitment to a Future Homes Standard at the Spring Statement the commitment to net gain in the Environment Bill and the recognition by BEIS of the importance of key issues like real performance of buildings in operation. Of course, the devil is often in the detail, but we are encouraged by our improving relations across Government, deepening our reach into departments across Whitehall. We know how important good policy and regulation is to drive the urgent change needed across the sector.

Impact level: Sector

Natural Environment Campaigning

Michela Mangiarotti, Associate Director, Atelier Ten



At Atelier Ten, we believe in the importance of integrating nature and biodiversity into our projects. The Alpine House at Kew Gardens, WWF-UK Living Planet Centre in Woking, Gardens by the Bay and Jewel at Changi Airport in Singapore show how people and plants can coexist in the same environment and add value to each other. Fostering nature and biodiversity in the built environment can be challenging, but the benefits are invaluable – enhancing health and wellbeing by improving air quality and incorporating biophilia, providing urban cooling and increasing resilience to climate change – while arguably boosting property and land values too.

This is why we have been so keen to support UKGBC's growing activities on natural environment and biodiversity. This included the amazing 'Our Changing Nature' event in January, where 200 UKGBC members gathered to enjoy a special presentation from leading urban ecologist Professor Menno Schilthuizen, which left us feeling energised and inspired.

It is great to see UKGBC's high-profile advocacy, campaigning for national policy to set clear and legally binding targets in the Environment Bill. Along with many other businesses, we signed UKGBC's public letter to the Treasury in March, which appears to have had a positive impact on Government. We look forward to UKGBC continuing to play a leadership role in helping policy makers and businesses to bridge the gap between the built and natural environment.

Impact levels: Professionals Businesses Sector

WWF-UK Living Planet Centre



Extending our influence across the UK



Alastair Mant, Head of Business Transformation, UKGBC

This year we ran our first project focusing solely on the climate resilience of the built environment. Funding was provided by Innovate UK and through the project we deepened our relationship with a number of other key public sector stakeholders, including Greater Manchester Combined Authority, the London Climate Change Partnership (LCCP) and the Environment Agency.

Our members were heavily involved in our project, including our scoping roundtable in which we identified the objective of raising awareness of professionals to the threats from climate change and the resources available to help improve resilience. Over 150 professionals from within our membership attended the six events we ran in London, Birmingham, Bristol and Manchester. These included a webinar, a half-day education course, three roundtables and a panel event.

We also ran a three week social media campaign using three videos we commissioned and 12 case studies we collated from the membership. The social media campaign had a reach of almost 100,000 user impressions, and the video campaign received almost 25,000 media views. We also created our first Actor and Resource Map, with input from over 30 organisations, and which has had nearly 2,000 page views.



Impact levels: Professionals Businesses

Leaders Network Dinner, March 21 2019



Cities Programme

Duncan Price, Sustainability Director, BuroHappold



BuroHappold has been involved with UKGBC's Cities Programme for two years now. It's a great format for bringing together leaders in sustainable construction and property with those at the vanguard of progressive local authority policy. Engagement at a range of levels has generated insights, understanding, ideas and momentum.

And this is essential given absence of comprehensive national policies to shape the future of cities. Progressive cities have stepped into the space and filled it with leadership, underpinned by a new found confidence.

I believe the Cities Programme has played a part in enabling this confidence. Firstly, by helping to unpack complex issues and share best practice. A good example is the Policy Playbook on housing standards, which was comprehensively updated this year. We've had great feedback from the likes of Leeds, Bath & North East Somerset, Cambridge and in particular Greater Manchester, where we have supported the setting of ambitious new net zero carbon policy.

Secondly, the programme has helped enable networks and partnerships between multiple local authorities, and the private and third sectors. A good example of this has been the extremely popular workshops and roundtables on social value to understand the drivers, measurement approaches and leading examples.

I look forward to building on these foundations to embed the ideas, test the approaches and begin delivering real outcomes in cities across the UK.



Impact levels: Places Sector



Local Networks

John Alker, Director of Policy & Places, UKGBC

This year saw a major strategic move for UKGBC (and quite a literal one for me personally). For the first time, we established Local Networks in three target UK regions: Bristol & the South West, Birmingham & the West Midlands and Greater Manchester. It was a signal of how serious we were that the Board supported my relocation to Greater Manchester over the summer.

The overall aim was to enable more members outside London to engage in all UKGBC activities, and to provide stronger roots in some of the key city-regions which we have been seeking to influence and inform through our Cities Programme.

We've been grateful for the support of members, notably Chetwoods Architects, Hilson Moran, Linkcity and WSP, who have all sponsored seconded Local Network coordinators over the course of the year. And to BuroHappold, who provide UKGBC with hot-desk space and a Manchester base.

Thankfully this is proving to be a great success, with well-received quarterly events in each region, and new members with a strong regional focus coming on board – including Bruntwood, Peel and Urban Splash. The challenge now is to maintain momentum, and as set out in our 10 year plan, expand this in the years to come to other regions of the UK.



Impact levels: Professionals Places

Looking ahead

LEADERSHIP

UKGBC aims to make sustainability central to leadership in our member organisations, and to cultivate purpose-led leadership amongst both current and future leaders. We will continue to focus on three levels:

- Future Leaders, designed for early-stage professionals, enters its sixth year with a focus on innovation and leadership while nurturing its alumni network
- The Change Accelerator, for senior managers, will recruit for a 2020 launch date, and continues to drive personal and purpose-driven leadership
- UKGBC Leaders Network, comprising over 140 CEOs and board-level directors, will hold three high-profile events; with members influencing the design of a new Executive Learning programme

EDUCATION (LEVELS 1 - 3)

UKGBC will continue running our fundamental Level 1-3 programmes (awareness, knowledge and skills), leveraging these offerings to reach mainstream professional audiences to raise awareness of sustainability principles and place greater emphasis on leadership and innovation. Our work will also focus on:

- The delivery of our Second Nature LIVE Programme (September – November 2019)
- Online and face-to-face learning sessions covering the five key impact areas that underpin our Vision
- Development of an online learning programme linking other Green Building Councils, and development of easily accessible learning products

Key activities 2019-2020

BESPOKE EDUCATION

UKGBC delivers a range of customised learning programmes for business to enhance the sustainability skills development of staff and deepen understanding of sustainability in the built environment. UKGBC continues to offer and deliver tailored:

- Bitesize bespoke offerings (online learning)
- "Lunch and Learn" sessions
- Topic-led offerings, including health and wellbeing, and social value
- Deeper organisation-specific leadership and learning solutions

POLICY & ADVOCACY

UKGBC has a long track record of advocating progressive, industry-relevant and fit-for-purpose policy. Some of our priorities for this year include:

- The Environment Bill and policy landscape in context of Brexit
- Clean Growth Strategy and climate policy
- Building Regulations and Planning policy
- Biodiversity Net Gain, green infrastructure and resilience policy
- Social value policy

We will engage members in our advocacy in tried and trusted ways including Parliamentary events, policy workshops and roundtables, and consultation responses

RESEARCH & INNOVATION

A range of activities across our impact areas will provide UKGBC and its membership with the latest trends and forecasts – shaping our Education & Leadership programming, policy work and supporting the business case for sustainability best practices:

- Creation of an Innovation Framework (a Climate-KIC funded project with Sustainable Ventures), involving workshops and industry interviews
- Innovation showcases, research and webinars to present market-ready innovative solutions
- Integration of UKGBC innovation tools, including the Challenge Definition Workshop and Innovation Sprint into our programmes
- Research the aspirations of our Gold Leaf members and beyond for current best practice and publish our annual Leading the Way report; capped off with the annual Gold Leaf member event
- Engage with members and key stakeholders to identify ambitious industry targets across our key impact areas, the business case for taking action, and update our key State of Sustainability metrics
- Convening of our Member Forums for Contractors, Infrastructure and University Research groups

IMPACT AREAS



Programmes and projects

ADVANCING NET ZERO PROGRAMME

UKGBC's single biggest programme is helping to shape the role of the built environment in delivering on the Paris Agreement, and is aligned with WorldGBC's global campaign. Following the launch of our task group report on net zero principles at a Parliamentary event in April, the programme will include:

- Ongoing engagement of government and industry on application of net zero carbon principles
- Alignment of leadership through adoption of the Advancing Net Zero Commitment
- Guidance on Scope 3 Reporting
- Co-organisation of a European Summit and dissemination of case studies, to share best practice

SOCIAL VALUE PROGRAMME

UKGBC will continue to be at the vanguard of this hot topic, supporting the adoption of guidance we have produced in the last two years for both industry and policy makers. A new, dedicated programme will also include:

- A new Social Value Actor and Resource map, providing a one-stop-shop overview of a complex landscape for members
- A workshop series tackling key policy and industry issues, e.g. business case, measurement, each generating written outputs to help advance specific challenges
- Associated training courses, including bespoke offerings for members
- An Innovation Sprint, focused on improving community engagement

CITIES PROGRAMME

Year three of our Cities Programme will see a continued forging of partnerships between local government and UKGBC's industry membership, to catalyse the delivery of sustainable places. This advocacy will include:

- Expansion of the Policy Playbook, to include commercial buildings
- High-level policy roundtables with political leaders and officers
- 'Foreground' workshops to inform and influence major projects
- A Cities Summit to convene policy-makers and private sector around leading practices
- A global webinar series to facilitate policy knowledge exchange
- Participation in Build Upon 2, a WorldGBC consortium on city-level retrofit

CIRCULAR ECONOMY PROGRAMME

Year two of the programme will continue to promote circular principles and collaboration with members and other stakeholders to create practical guidance for the industry.

Following April's launch of our Guidance for Construction Clients, the programme will include:

- Ongoing updating of UKGBC's Circular Economy Actor and Resource Map
- Workshops with groups of members to test and refine the Guidance, including developers and contractors
- Policy-focussed roundtables
- A Masterclass and other education activities
- A new task group to create the next guidance document
- A collaborative project with four European cities to explore circular built assets at the city scale and the tools required by professionals

CLIMATE RESILIENCE PROJECT

UKGBC will continue to raise awareness on how the built environment can be made more adaptable to climatic changes, including:

- Actor and Resource map updates
- Roundtables and workshops, with Infrastructure and University Research Forums

Workshops with members as part of UKGBC's role as a Project Partner on the Greater Manchester IGNITION project, which seeks to develop innovative ways of financing natural solutions to deliver resilience

NATURE AND BIODIVERSITY PROJECT

UKGBC is leveraging the success of the recent Our Changing Nature event, raising membership awareness of the vital role of nature and biodiversity, to launch a programme of work with input from, and engagement of, our members. This will comprise:

- Continuous updates to our Actor and Resource Map, identifying key participants and influencers
- Policy work, especially relating to Biodiversity Net Gain frameworks and the Environment Bill
- A Masterclass on Biodiversity Net Gain or Green Infrastructure and other learning activities

HEALTH AND WELLBEING PROJECT

A topic of vital interest to the industry and policy-makers, UKGBC will again be dialling up our work on health and wellbeing this year. This includes:

- A Parliamentary event
- Collaborative campaigning on air quality, including regional events
- Integration of health and wellbeing into key policy recommendations
- Associated learning opportunities
- UKGBC participation in an air quality campaign focused on construction emissions

Thank you

Our programme and project sponsors

ANZ: Redevco Foundation, BAM, Berkeley Group, Hoare Lea, Grosvenor, JLL

Cities Programme: Avison Young, British Land, BuroHappold, Rockwool

Local Networks (seconding organisations or hosts): BuroHappold, Chetwoods Architects, Linkcity, Hilson Moran, WSP

Leadership: Grosvenor, The Crown Estate, Mitsubishi Electric, Sir Robert McAlpine, Aggregate Industries, Lendlease

Circular Economy Programme: Crown Estate, Clarion, ISG, TFT, Telford, HS2, Cleveland Steel

Whole Life Carbon event: Landsec, Centre for Industrial Energy, Materials and Products (CIEMAP)/ University of Leeds, Edinburgh Napier University

Innovation & Cities: EIT Climate-KIC

Climate Resilience & Retrofit: InnovateUK

Our Changing Nature: Heathrow, Atelier Ten, Arup, Peel Land & Property Group, Outerspace



Reference and administrative details

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	Bill Hughes Alison Nimmo DBE Victoria Quinlan Sunand Prasad David Partridge Rick Willmott Claire Battles Jerome Frost OBE Michael Cross
Company Secretary and Chief Executive	Julie Hirigoyen
Senior Management Team	
Chief Executive	Julie Hirigoyen
Director of Policy and Places	John Alker
Head of Business Transformation	Alastair Mant
Head of Communications and Fundraising	Tom Poldre
Head of Learning and Leadership	Elfrida Hamilton-Russell
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

Financial review

The Trustees present their annual report and the audited financial statements of UKGBC Limited for the year ended 31 March 2019.

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 37 to 39 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).

OBJECTIVES AND ACTIVITIES

The objects of the charity are for the public benefit:-

- to dramatically improve the sustainability of the built environment by radically improving the way it is planned, designed, constructed, maintained and operated; the activities and outcomes associated with this object are described below under the heading "Improving Sustainability".
- to advance the education of the public in the sustainability, conservation, protection and improvement of the built environment; see below under "Education".
- to promote the sustainability, conservation, protection and improvement of the built environment; see below under "Raising Awareness".

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.

Results for the year

Total income for the year decreased by £3,150 to £2,246,703 (2018: £2,249,853) compared to the previous year.

Of total income, 55% (2018: 56%) is membership subscriptions, the charity's primary source of income. These have decreased by £12,226, or 0.9%. The decrease is as a result of increased level of attrition and decrease in new membership recruitment. Total membership fees in the year amounted to £1,242,531 compared to £1,254,757 in 2018.

Grant and contract income has decreased by 27% to £249,812 (2018: £341,115). We secured further EU grant relating to the ongoing Energy Efficient Mortgages Action Plan (EeMAP) project. We also continued to be funded to employ the WorldGBC European Policy Officer to work on the Build Upon and EeMAP. In addition we also secured funds from EIT Climate-KIC and Redevco Foundation. A total of £1,381 of this income was retained at the year end and is held in restricted funds.

Education course income increased by 12% to £288,818 (2018: £257,657), albeit this does so as a result of growth in both our Leadership activities.

Major event income decreased by 42% to £31,821 (2018: £55,000) this was sponsorship for UKGBC's Our Changing Nature 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 £55,288 (2018: £13,900) and comprise 79% of voluntary income in the year.

Total expenditure increased by £103,813 in the year to £2,235,740 (2018: £2,131,927).

This is largely a result of expenditure associated with staff cost. 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% (2018: 63%) of costs at £1,402,039 (2018: £1,348,971) in total.

Support costs in the year came to £438,466 versus an equivalent of £432,708 in the previous year which is mainly as a result of increased cost of IT and Communication expenditure and increase in staff cost within the financial year.

Overall the charity generated a surplus of £10,963 (2018: £117,926) for the year, which increased charitable funds to £953,095 (2018: £942,132). Of these, £1,381 (2018: £106,112) are restricted to specific ongoing projects and will be expended in future years. £951,714 (2018: £836,020) are held in unrestricted reserves at the year end of which £40,000 have been designated by the trustees for investment in Financial Year 2019/20 that will serve the purpose of piloting a new member benefit that is intended to mitigate against attrition risks, and deepen the engagement of member companies.

Reserves policy and financial position

The trustees have set a reserves policy that requires that the charity's free reserves (available to meet day-to-day requirements and contingencies) 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 month's of operating costs excluding depreciation of approximately £698K.

As at 31 March 2019, free reserves which is effectively the amount recorded on the balance sheet as unrestricted general funds, amounted to £877,696 which is £179k above the trustees stated 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.

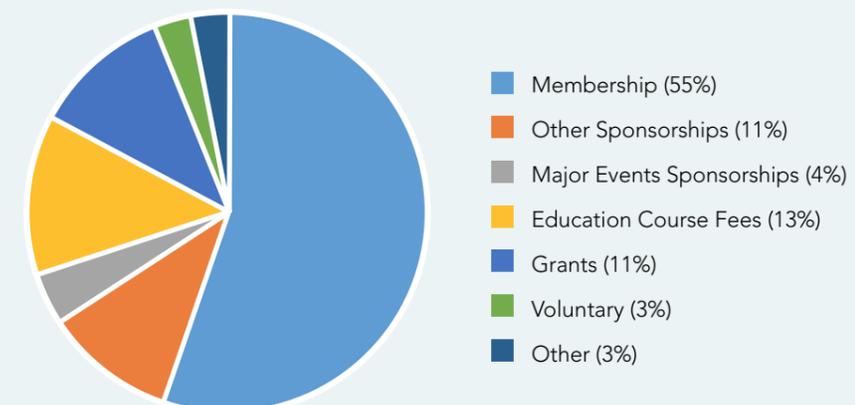
The invested funds held in fixed deposit accounts together with those in interest bearing current accounts achieved an average rate of return of 0.5% (2018: 0.3%).

Fundraising statement

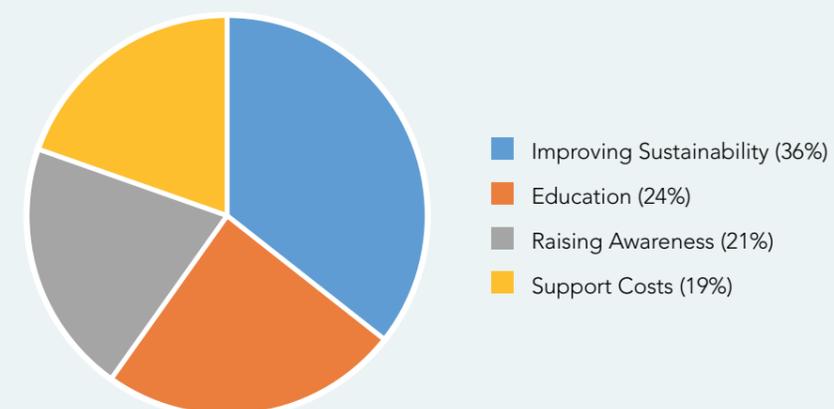
Over the course of 2018/19 UKGBC did not undertake public fundraising activity nor employ any staff with a specific remit for public fundraising. UKGBC does not have any subsidiary trading companies, nor do we employ commercial third parties to undertake fundraising on our behalf.

Our commercial and corporate supporters/members do not undertake public fundraising on our behalf.

Where our funds come from



Analysis of our expenditure



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 should be 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.

The risk management framework is put forward by the Senior Management Team, and 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)	Factor in higher attrition rate into budget FY2019/20 and target significant new member income. Appoint Part Time Head of Membership & Insights responsible for leading the implementation of a member retention and recruitment strategy Conduct exit interviews with all high value lapsing members
Financing risks	Target alternative sources of funding to diversify income further
Programmatic risks	Significant efforts have gone into planning and scheduling for the upcoming FY to avoid risk of programmatic clashes and to ensure maximum member engagement with variety of different programmes and activities Communication strategy for key programmes also being refined and improved.

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 2018 and up to the date of approval of this report, except where shown.

Trustee	Appointed/Resigned
Stephanie Hilborne OBE	Retired 11 July 2018
Bill Hughes	
Alison Nimmo DBE	
David Partridge	
Alastair Bell	Resigned 1 April 2019
Sunand Prasad	
Victoria Quinlan	
Alexandra Willey	Retired 19 September 2018
Rick Willmott	
Claire Battles	
Diana Breeze	Appointed 11 July 2018, Resigned 12 December 2018
Jerome Frost OBE	Appointed 11 July 2018
Michael Cross	Appointed 19 September 2018

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 director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 6 to the financial statement.

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 charities. The remuneration benchmark is the mid-point of the range paid for similar roles in similar charities and sizes.

Independent auditor's report to the members of UKGBC Limited

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.

Approved by the Trustees and signed on their behalf by:

Chairman

Date: 19 June 2019

Opinion

We have audited the financial statements of UKGBC Limited (the 'charitable company') for the year ended 31 March 2019 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).

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 2019 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 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 returns adequate for our audit have not been received from branches not visited by us; 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.

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.

Use of our report

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.

Shachi Blackmore (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Statement of financial activities

Year to 31 March 2019

	Notes	Un-restricted funds £	Restricted funds £	2019 Total funds £	Un-restricted funds £	Restricted funds £	2018 Total funds £
Income from:							
Donations and legacies	1	69,562	-	69,562	44,900	-	44,900
Charitable activities	2						
. Improving sustainability		1,458,855	240,008	1,698,863	1,417,498	341,115	1,758,613
. Education		335,135	-	335,135	322,668	-	322,668
. Raising awareness		94,009	9,804	103,813	91,312	-	91,312
Investments		6,560	-	6,560	3,960	-	3,960
Other sources		32,770	-	32,770	28,400	-	28,400
Total income		1,996,891	249,812	2,246,703	1,908,738	341,115	2,249,853
Expenditure on:							
Charitable activities	3						
. Improving sustainability		662,532	344,739	1,007,271	778,705	237,488	1,016,193
. Education		649,271	-	649,271	610,463	-	610,463
. Raising awareness		569,394	9,804	579,198	505,271	-	505,271
Total expenditure		1,881,197	354,543	2,235,740	1,894,439	237,488	2,131,927
Net income (expenditure) and movement in funds	5	115,694	(104,731)	10,963	14,299	103,627	117,926
Reconciliation of funds							
Brought forward at 1 April 2018		836,020	106,112	942,132	821,721	2,485	824,206
Carried forward at 31 March 2019		951,714	1,381	953,095	836,020	106,112	942,132

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.

Balance sheet

31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	7		34,018		83,824
Current assets					
Debtors	8	577,949		662,597	
Short term deposits		800,407		907,038	
Cash at bank and in hand		577,931		506,666	
		1,956,287		2,076,301	
Current liabilities					
Creditors: amounts falling due within one year	9	(1,037,210)		(1,217,993)	
Net current assets			919,077		858,308
Net assets			953,095		942,132
The funds of the charity:					
Restricted funds	13		1,381		106,112
Unrestricted funds	13				
. General funds			911,714		836,020
. Designated funds			40,000		-
Total charity funds			953,095		942,132

The principal accounting policies and notes on pages 37 to 47 form part of these financial statements.

Approved by the Trustees and signed on their behalf by:

David Partridge
Chair

Date: 19 June 2019

UKGBC Limited Company Registration Number: 01029239 (England and Wales)

Statement of cash flows

Year to 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	(39,736)	203,224
Cash inflow from investing activities			
Interest received		6,560	3,960
Purchase of tangible fixed assets		(2,190)	(7,751)
Net cash used in investing activities		4,370	3,791
Change in cash and cash equivalents in the year		(35,366)	199,433
Cash and cash equivalents at 1 April		1,413,704	1,214,271
Total cash and cash equivalents at 31 March		1,378,338	1,413,704

Notes to the statement of cash flows for the year to 31 March 2019.

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

	2019 £	2018 £
Net income (as per the statement of financial activities)	10,963	117,926
Adjustments for:		
Depreciation charges	51,996	55,113
Investment income receivable	(6,560)	(3,960)
Loss (surplus) on the sale of fixed assets	-	-
Decrease (increase) in debtors	84,648	(84,634)
(Decrease) increase in creditors	(180,783)	118,779
Net cash provided by (used in) operating activities	(39,736)	203,224

B Analysis of cash and cash equivalent

	2019 £	2018 £
Cash at bank and in hand	577,931	506,666
Short term deposits	800,407	907,038
Total cash and cash equivalents	1,378,338	1,413,704

Principal accounting policies

Year to 31 March 2019

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 2019 with comparative information provided for the year to 31 March 2018.

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 accounts. 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.

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 £500 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

Investments

Current asset investments 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.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

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 company 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 2019

1 Income from donations and legacies

	Unrestricted funds	
	2019 Total £	2018 Total £
Donations	14,274	31,000
Services donated	55,288	13,900
	69,562	44,900

Included within donations and legacies are goods and services which have been donated to the charity during the year totalling £55,288 (2018: £13,900). This consists of venue hire (£12,728 (2018: £7,850)), catering (£2,800 (2018: £550)), Consultancy £26,760 (£nil (2018: £nil)) and speaker fees (£13,000 (2017: £5,500)).

2 Income from charitable activities

	2019 £	2018 £
Improving sustainability		
Membership income	1,242,531	1,254,757
Sponsorship income	187,669	145,207
Grant & contract income	240,008	341,115
Other income	28,655	17,534
	1,698,863	1,758,613
Education		
Major event sponsorship income	15,911	27,500
Education sponsorship income	-	10,000
Leaders Network sponsorship income	30,406	27,510
Education course income	288,818	257,658
	335,135	322,668
Raising awareness		
Grant & contract income	9,804	-
Sponsorship income	47,692	36,302
Major event sponsorship income	15,910	27,500
Leaders Network sponsorship income	30,407	27,510
	103,813	91,312
Total charitable income	2,137,811	2,172,593

3 Expenditure on charitable activities

	Direct costs Other £	Direct costs Staff £	Support costs £	2019 £
Improving sustainability	224,005	571,086	212,180	1,007,271
Education	246,462	293,692	109,117	649,271
Raising awareness	146,666	315,363	117,169	579,198
	617,133	1,180,141	438,466	2,235,740

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

4 Analysis of support costs

	Premises £	IT/Comms £	Admin staff £	Accounts & finance £	Governance £	2019 £
Improving sustainability	85,501	17,341	58,309	2,779	48,250	212,180
Education	43,970	8,918	29,987	1,429	24,813	109,117
Raising awareness	47,215	9,576	32,199	1,535	26,644	117,169
	176,686	35,835	120,495	5,743	99,707	438,466

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

Support costs of £438,466 are divided in the proportion of the direct staff costs of each activity area, thus:

	2019	2018
Improving Sustainability	48%	50%
Education	25%	27%
Raising Awareness	27%	23%

5 Net income for the year

This is stated after charging/crediting.

	2019 £	2018 £
Auditor's remuneration		
.Audit	8,000	7,987
Depreciation	51,996	55,113
Pension costs	78,276	74,406

6 Staff costs and remuneration of key management personnel

Staff costs during the year were as follows:

	2019 £	2018 £
Salaries and wages	1,168,370	1,105,865
Social security costs	130,612	124,736
Pension contributions	78,276	74,406
Medical and insurance	8,491	9,344
Other costs	16,290	34,620
	1,402,039	1,348,971

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

	2019 Number	2018 Number
Charitable activities	20	19
Support	3	3
	23	22

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

	2019 Number	2018 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£90,001 - £100,000	1	1
£180,001 - £190,000	1	1

These, 4 employees are accruing pension contributions totalling £28,072 (2018: 5 employees, accruing £32,370).

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 £600,778 (2018: £494,399).

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. No such claims were made in 2018/19 or 2017/18.

7 Tangible fixed assets

	Office equipment £	Computers £	Leasehold Refurbishment £	Total £
Cost				
At 1 April 2018	60,034	34,176	133,343	227,553
Additions	-	2,190	-	2,190
Balance at 31 March 2019	60,034	36,366	133,343	229,743
Depreciation				
At 1 April 2018	50,909	26,148	66,672	143,729
Charge for the year	2,280	5,268	44,448	51,996
Balance at 31 March 2019	53,189	31,416	111,120	195,725
Net book value				
At 31 March 2019	6,845	4,950	22,223	34,018
At 31 March 2018	9,125	8,028	66,671	83,824

8 Debtors

	2019 £	2018 £
Trade debtors	475,055	612,075
Prepayments	39,790	40,309
Other debtors	63,104	10,213
	577,949	662,597

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	72,242	54,104
Other taxation and social security	133,191	147,676
Deferred income	749,422	933,005
Accruals	70,039	71,069
Other creditors	12,316	12,139
	1,037,210	1,217,993

10 Analysis of deferred income

	2019 £	2018 £
Deferred income at 1 April	933,005	828,121
Applied during the year	749,422	933,005
Released during the year	(933,005)	(828,121)
Deferred income at 31 March	749,422	933,005

11 Financial instruments

	2019 £	2018 £
Financial assets measured at fair value	1,858,499	2,030,444
Financial liabilities measured at amortised cost	(72,242)	(54,104)

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	
	2019 £	2018 £	2019 £	2018 £
Leases which expire:				
Within one year	4,747	4,747	31,567	124,764
Within two to five years	11,868	16,615	-	31,567
	16,615	21,362	31,567	156,331

13 Analysis of net assets between funds

	Restricted funds £	General funds £	Fixed asset funds £	Designated funds £	Total funds 2019 £
Fixed assets	-	-	34,018	-	34,018
Current assets	13,237	1,903,050	-	40,000	1,956,287
Current liabilities	(11,856)	(1,025,354)	-	-	(1,037,210)
Net assets at 31 March 2019	1,381	877,696	34,018	40,000	953,095

	Restricted funds £	General funds £	Fixed asset funds £	Designated funds £	Total funds 2018 £
Fixed assets	-	-	83,824	-	83,824
Current assets	124,275	1,952,026	-	-	2,076,301
Current liabilities	(18,163)	(1,199,830)	-	-	(1,217,993)
Net assets at 31 March 2018	106,112	752,196	83,824	-	942,132

14 Analysis of funds

	Balance at 1 April 2018 £	Income £	Expenditure £	New designations £	31 March 2019 £
Unrestricted funds					
. General funds	752,196	1,994,701	(1,829,201)	(40,000)	877,696
. Fixed asset funds	83,824	2,190	(51,996)	-	34,018
. Designated funds	-	-	-	40,000	40,000
Restricted funds					
. World GBC European Policy	5,417	82,090	(82,079)	-	5,428
. EeMAP	100,695	27,160	(131,902)	-	(4,047)
. EU Contract	-	12,368	(12,368)	-	-
. ANZ	-	46,853	(46,853)	-	-
. Climate KIC - Innovation	-	39,214	(39,214)	-	-
. Climate KIC – Cities lab	-	42,127	(42,127)	-	-
Charity total	942,132	2,246,703	(2,235,740)	-	953,095

	Balance at 1 April 2017 £	Income £	Expenditure £	New designations £	31 March 2018 £
Unrestricted funds					
. General funds	690,535	1,900,987	(1,839,326)	-	752,196
. Fixed asset funds	131,186	7,751	(55,113)	-	83,824
. Designated funds	-	-	-	-	-
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 UKGBC.

EeMAP (The Energy Efficient Mortgages Action Plan)

This 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. Further funds are expected in the financial 2019/20 to clear the deficit on this fund at year end.

EC Contract

This relates to income from the European Commission for the planning and coordination of a conference on sustainable buildings that explored the challenges of implementing the European Commission's new sustainable building reporting framework, Level(s) across Europe.

Advancing Net Zero (ANZ)

This relates to funding secured from Redevco Foundation for a project about galvanising the industry and policy makers to deliver a net zero carbon built environment, through industry leadership and strong regulation.

Climate KIC – Innovation

This relates to funding the UKGBC Innovation Portal secured from EIT Climate-KIC to develop links between larger corporates (demand) and start-up innovators (supply), and in so doing building the capacity within UKGBC's membership to adopt innovative approaches to drive sustainability in the sector.

Climate KIC – Cities Lab

This relates funding secured from EIT Climate-KIC to fund a project established to design a new programme which could support local authorities and their partners raise the sustainability ambitions of large scale development schemes.

Unrestricted funds

General funds

These funds are freely available to meet day-to-day requirements.

Designated Fund

At a Board meeting held on 27th March 2019, the Trustees of UKGBC unanimously decided in favour of re-investing £40,000 from the surplus generated as designated funds in the FY 2019-20. The investment will serve the purpose of piloting a new member benefit that is intended to mitigate against attrition risks, and deepen the engagement of member companies.

Fixed asset funds

The fixed assets fund represents the net book value of the charity's tangible fixed assets held as part of the unrestricted funds. A decision was made to separate this fund from the general fund of the charity in recognition of the fact that the tangible fixed assets are essential to the day to day work of the charity and as such their value should not be regarded as funds that would be realisable with ease in order to meet contingencies.

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 2019 (2018: £nil). The total amount of donations received from Trustees in the year was £nil (2018: £nil).



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