

IMPACT REPORT 2021 > 22



URBAN NATURE-BASED SOLUTIONS

BUILD BETTER NOW

RACE TO ZERO

WHOLE LIFE CARBON ROADMAP

ANNUAL REPORT AND FINANCIAL STATEMENTS

COMPANY REGISTRATION NUMBER 01029239
CHARITY REGISTRATION NUMBER 1135153

FOREWORD



As I reflect on the past 12 months, I am truly humbled by how much we as a network have achieved in what can only be described as turbulent times, but also reminded of how much more there is still to do if we are to achieve our climate targets and deliver a safe and sustainable future for all.

Over the last year, and especially highlighted at COP26 in Glasgow, the call for more action (and less talk) has magnified and there is a new level of accountability in motion that, I hope, will support the volume and scale of tangible outcomes required if we are to achieve net zero. However, it remains startlingly clear that we cannot afford to be complacent or lose pace. In fact, quite the opposite. We must drive momentum and double down on our efforts to reduce emissions, restore the balance with nature, and put the health and wellbeing of society at the very heart of our plans if we are to avert catastrophe in our lifetime.

At UKGBC we remain committed to these goals through our mission to drive transformation across our sector and support all of our stakeholders to radically improve the sustainability of the built environment. As a charity operating in tumultuous times, I believe that we can take justified pride in how we have put that mission into action over the last year.

It has been a year of unprecedented growth at UKGBC, with 130 new members joining and 20 new colleagues onboarded, highlighting the demand and desire from within industry to become more sustainable and

contribute to the transformation of the built environment.

We continued to deliver on every aspect of our annual plan and the collaboration and convening of our members have been central to this. We have heard time and time again from members how important this opportunity for engagement is, and this will remain the very bedrock of our modus operandi in coming years.

A number of important initiatives aimed at further extending and deepening our impact were launched during this last year including:

- The Net Zero Whole Life Carbon Roadmap for the Built Environment (*The Roadmap*)
- The expansion of our network into Scotland
- Our commitment to being a Race to Zero Accelerator
- The Build Better Now partnership

The Roadmap is an important tool, mapping out the pathway to decarbonising the sector by 2050. It quantifies the specific emission reductions required across the built environment to meet this crucial deadline and includes key policy recommendations for government, and stakeholder action plans geared to deliver the solutions.

As an Accelerator to the Race to Zero, we established the requirement for all our Gold Leaf members to join the Race, and we firmly encourage all our other members to do so too.

Beyond these examples, our impact has been widespread across all our core areas and this report includes a data-rich analysis of this over the last 12 months, including the results of our Annual Member Survey, which enables us to measure our progress year-on-year.

Change is afoot, and this is something that we can rightfully be proud of. In order to capitalise on the momentum, we must continue to show that the built environment can be a leader in reducing UK emissions.

Yet more and more recent data highlights that the climate emergency remains the most pressing issue facing the built environment and while the challenge is immense, I believe that the collective impact of our membership can deliver transformative change across our sector at a scale that matters ■

JULIE HIRIGOYEN
CHIEF EXECUTIVE
UK GREEN BUILDING COUNCIL



THE YEAR OF COP26

This was the financial year that global leaders convened in the UK for COP26. Hosted in Glasgow, the annual UN climate change conference placed climate action on the agenda of government, business and society globally like never before.

For the UK business community, it was in particular a time to reflect on its role in bringing about a reduction in carbon emissions and adapting to extreme weather events.

COP26 also provided the perfect opportunity for UKGBC to convene its members together around our common purpose.

Cities, Regions and Built Environment Day turned the spotlight on our sector and its vital role in fighting the climate crisis and was the launchpad for our Net Zero Whole Life Carbon Roadmap – a significant milestone for the UK built environment on the road to net zero, providing clear guidance and next steps.

We also played a central role in the collaborative Build Better Now initiative, a virtual exhibition and events series highlighting the vital role of our sector in tackling the climate crisis.

Finally, we officially launched UKGBC Scotland at an event with Patrick Harvie MSP Minister for zero carbon buildings, active travel and tenants' rights in the Blue Zone. UKGBC Scotland is our local presence focused on a dedicated programme of initiatives for the Scottish policy and industry landscapes.

With the event in the UK, many of our team took the opportunity to attend the conference; making an impact on the ground, networking with our members, and sharing the message of turning commitments into action through collective pressure ■





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INTRODUCTION

About UKGBC

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 over 650 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.

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 increase** the sustainability of the built environment by improving the way it is planned, designed, constructed, maintained, operated, modified and replaced ("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.



Theory of Change

Our Theory of Change visualises how UKGBC affects change on sustainability in the built environment. At UKGBC, we collaborate to advocate, enable and inspire accelerated leadership and action, primarily by business and government, on climate change, resource use, nature & biodiversity, health & wellbeing and socio-economic impact.



WE COLLABORATE by convening diverse built environment organisations to engage in a common purpose

WE ADVOCATE by calling for ambitious commitments, stronger standards and progressive policy

WE ENABLE by developing guidance, showcasing solutions and stimulating innovation

WE INSPIRE by sharing knowledge and best practice, and encouraging transformational leadership

YEAR AT A GLANCE

Learning and development | ● 2021-22 | ● 2020-21 | ● 2019-20

8,109

9,139 | 6,156

Hours of learning delivered

4,669

4,566 | 3,288

Course participants

69

70 | 43

Learning interventions

Membership | ● 2021-22 | ● 2020-21 | ● 2019-20

7,438

4,956 | 4,040

Active member contacts

2000

213 | 131

Opportunities for members to engage in UKGBC activities

672

542 | 430

Members

78%

68% | 68%

Of member organisations that actively took part in UKGBC activities

Events | ● 2021-22 | ● 2020-21 | ● 2019-20

42

40 | 54

Events

3,431

2,673 | 1,622

Individuals took part in events

Communications | ● 2021-22 | ● 2020-21 | ● 2019-20

35

43 | 35

Press releases

1,492

943 | 782

Media mentions

43.7^K

42^K | 41^K

Twitter followers

22.3^K

16^K | 10^K

LinkedIn followers

213.6^K

152^K | 124^K

Website users

66.4^K

52^K | 24^K

Downloads of all reports/tools

BUSINESS IMPACT INSIGHTS

Ambitious Corporate Commitments

One of UKGBC's central aims is to strengthen and increase the sustainability ambition and commitments of businesses operating in the built environment. We know that they have a central role to play in tackling the climate and ecological crises and in ensuring health, wellbeing and a decent quality of life for people.

To enable this to happen, we have been mapping the progress of our Gold Leaf members since 2016 through the 360 Sustainability Review. This allows us to suggest ambitious next steps on the journeys of these businesses – all of whom are aspiring to sustainability leadership.

UKGBC is also proud to be the first organisation officially recognised as a Race to Zero Accelerator, and we are encouraging all of our members to set ambitious climate commitments that match the campaign criteria (for our Gold Leaf members it is a membership requirement). The Race is a UNFCCC-backed campaign, and those that commit to it all have the same goals: halving emissions by 2030 and achieving net zero by 2050 at the latest.

Since May 2021 our Gold Leaf members are required to sign up to the Race to Zero, and so far:

- **58%** have done so (up from 38% when we first announced this new requirement).

- **76%** have committed to being net zero carbon.

We continue to encourage all of our members to sign up to the WorldGBC Net Zero Carbon Buildings Commitment, which challenges the building and construction sector to halve emissions in their portfolios by 2030 and advocates for a total decarbonisation by 2050. UKGBC's support for signatories to this Commitment has been provided through facilitating a dedicated Forum where we convene businesses together to share lessons learnt and brainstorm ways of overcoming common challenges.

In the coming financial year, we intend to convene our members together through more of these dedicated forums – both topic specific and sub-sector specific – to significantly increase the opportunities for shared knowledge and short-circuiting the organisational learning journeys to scale up action faster ■

“UKGBC is an important partner for The Crown Estate on our journey to Net Zero. Through the wide range of support they provide – as well as their role as a “critical friend” setting collective challenges for the industry – they help us stay focused on the transformation necessary to achieve this vital commitment.”



JUDITH EVERETT
EXECUTIVE DIRECTOR - PURPOSE,
SUSTAINABILITY & STAKEHOLDER
THE CROWN ESTATE



CLIMATE MITIGATION



↑ The number committing to becoming net zero carbon rose from **42% to 76%**. (this is especially notable as Spring 22 we brought in the member requirement).



↑ The number of signatories to the RTZ campaign rose from **38% to 58%**. (this is especially notable as Spring 22 we brought in the member requirement).

NATURE & BIODIVERSITY



↑ The number committing to enhancing nature & biodiversity rose from **51% to 74%**.

CLIMATE ADAPTATION /



↑ The number citing a commitment towards Nature-Based Solutions for climate resilience rose from **4% to 17%**.

SOCIO-ECONOMIC IMPACT



↑ The number publicly reporting on socio-economic value contributions rose from **73% to 78%**.



↑ The number citing use of a Social Value measurement framework or tool rose from **18% to 22%**.

RESOURCE USE



↑ The number committed to implementing circular economy principles rose from **40% to 54%**.



↑ The number who had achieved zero waste to landfill rose from **22% to 30%**.



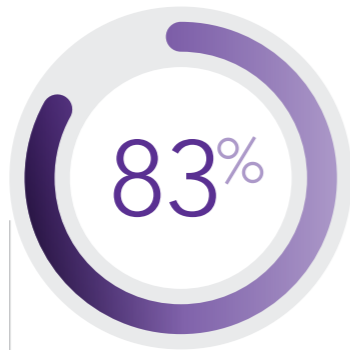
Co-creating Guidance and Sharing Best Practice

One of UKGBC's key aims is to foster collaboration between our members. We believe that by convening and sharing knowledge & best practice we can accelerate solutions to urgently tackle the environmental and social challenges we face.

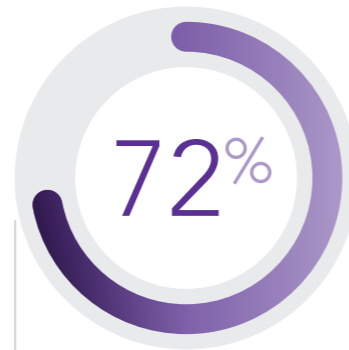
Our work is shaped by our membership at every level. Our Members Advisory Group provides strategic advice, feedback and support on key priorities, programmes and membership activities. In addition, our forums across all of our impact areas convene regularly to discuss common sustainability challenges.

For nearly all our large projects we bring together Task Groups to share knowledge, ensuring that the resulting output is reflective of our collaborative thinking. Our Net Zero Whole Life Carbon Roadmap, launched at COP26, brought together a significant breadth of stakeholders, with a cross-sector Steering Group alongside four Task Groups responsible for developing its content ■

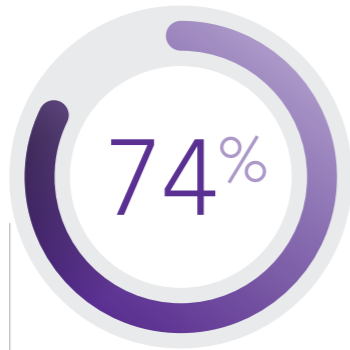
Percentage of respondents who consider UKGBC outputs **supportive or highly supportive** in their organisation's sustainability efforts:



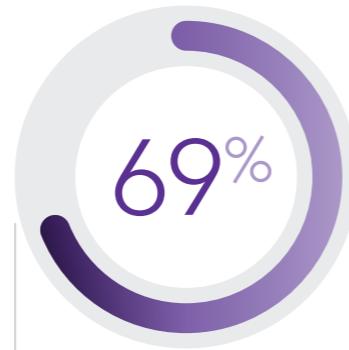
Collaborative research reports e.g. Whole Life Carbon Roadmap.



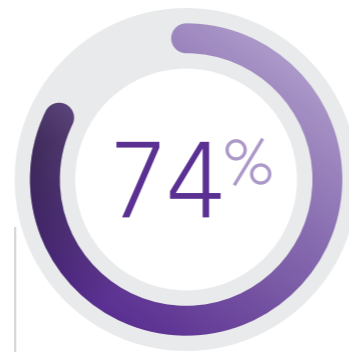
Analysis of corporate commitments and achievements e.g. Net Zero Carbon Buildings Comment Forum.



Guidance and toolkits e.g. Framework for delivering Social Value.



Viable sustainable solutions e.g. Solutions Library.

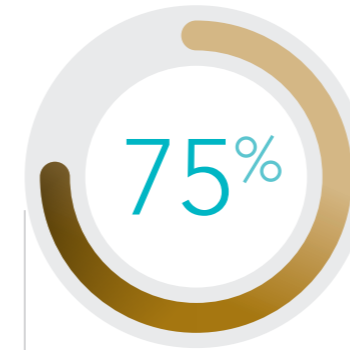


Best practice case studies e.g. Commercial Playbook.

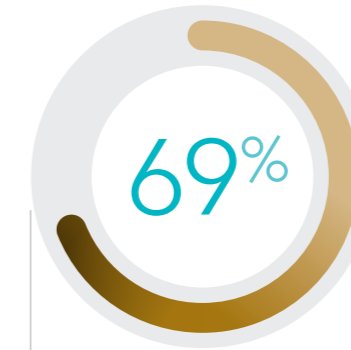
Fostering Collaboration and Partnerships

We are repeatedly told that UKGBC's breadth of membership and extensive stakeholder network provides it with unique convening power that is essential to breaking down siloed ways of thinking in our otherwise fragmented and risk averse industry. Everything we do is therefore geared towards convening our members and partners together – to achieve industry consensus on what good looks like and how to achieve it.

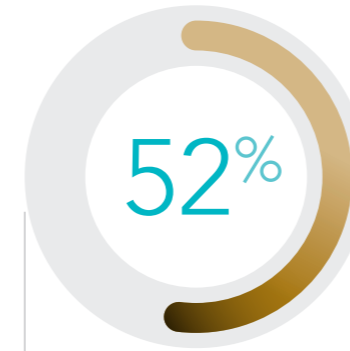
Percentage of respondents who believe UKGBC membership has **enabled or highly enabled** them to:



Gain valuable insights from across the built environment value chain.



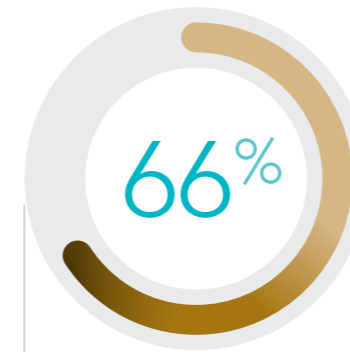
Make new contacts and extend your network.



Enter into commercial partnerships with organisations that share your sustainability goals.



Identify start-ups or entrepreneurs who have come up with an innovative idea or solution to overcome sustainable built environment challenges.



Collaborate with others to advance your sustainability journey.



Showcasing Innovative Solutions

A significant step change in the sector’s environmental and social impact is required to achieve UKGBC’s vision for a sustainable built environment. Therefore, we run a number of initiatives designed to foster collaboration between our members so as to find and implement tangible solutions to their sustainability challenges.

Our new Solutions Library, launched in June 2021, is designed to enable our members to meet their ever more ambitious commitments. The Library already offers over 150 practical and commercially viable solutions and case studies to help address common sustainability challenges across the sector.

The new ‘Solutions’ part of the UKGBC website also gives members the opportunity to submit a challenge that they need help solving; using our unique convening powers we then publicly crowdsource to find solutions to those challenges.

In February 2022, we launched a couple of Nature Based Solutions (NBS) Challenges looking for practical solutions for existing buildings to be made more climate resilient and for ways in which communities and local authorities can implement and assess the impact of NBS to enhance climate resilience. Thirty new solutions were sourced and we will be launching further challenges soon ■



Indicate that wanting to identify, ‘solutions/pathways/frameworks to accelerate sustainable outcomes’ is one of their primary reasons for being a member.



150+

Over 150 solutions in the solutions portal

Fostering Knowledge Sharing

UKGBC is committed to knowledge sharing and networking in order to facilitate the change needed in the built environment. We have an expanding community of Innovative Start-Up members, which now totals over 40, and by connecting them with our established members, we are helping to bring fresh and practical solutions to the climate crisis.

Our Innovative Start-Up Forum – launched in July 2021 – provides a collaborative and informal space open to all UKGBC Start-Up members where they can explore shared challenges and solutions ■

“As an early-stage company who puts sustainable innovation front and centre, being a start-up member and part of the community is key! The innovative start-up forum is hosted once a quarter and brings together organisations that span the built environment to discuss their approach towards innovation, share challenges and discuss collaboration opportunities. This is a unique and extremely valuable



NATASHA BOULDING
CEO AND CO-FOUNDER
SPHERA

experience to unlock and accelerate innovative solutions to drive us closer to an improved built environment.”



Equipping Professionals with Knowledge, Skills, and Competencies

Impactful, inspiring and accessible learning is at the heart of our mission at UKGBC.

This financial year it was great to be able to organise in-person events again following the pandemic, and we have embraced the opportunities that hybrid learning can bring; broadening the accessibility of our events.

Our Learning & Development team play a vital role in keeping us connected to our members and this year hosted 28 Lunch and Learn programmes covering different aspects of sustainability in the built environment, as well as bespoke learning opportunities.

Second Nature LIVE, an immersive learning programme drawing upon live projects, was this year run in collaboration with IHG Hotels & Resorts, offering participants the chance to apply transformational sustainability thinking to the hospitality sector. The event was aimed at non-sustainability professionals who, through a host of different learning approaches

including webinars, research and workshops, learned about the key principles of green building and construction.

Our Course Mail Series, designed to provide shareable entry-level knowledge on key sustainability and built environment topics in easy-to-read emails has also continued throughout year.

Alongside all of this we have also been running one-off virtual events such as Build Better Now, launched at COP26, and Around the World in 80 Case Studies, a collection of sustainable building case studies from across the world presented in the form of webinars.

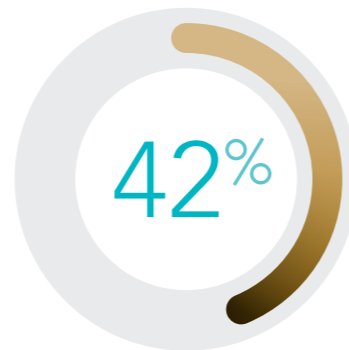
This coming year we intend to continue providing a diverse and comprehensive programme of learning opportunities to our members, both online and in person ■



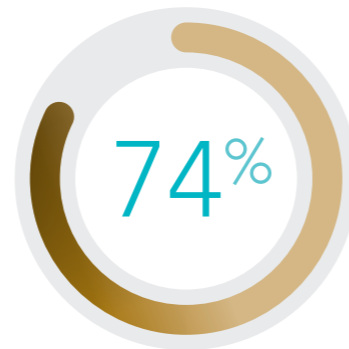
“Taking part in Second Nature Live was a great experience, not only for spending time with like-minded people from many aspects of the industry and colleagues but also for the vast amount of information received! Definitely improved my ‘Second Nature’ thinking that now I am looking forward to applying to as many projects as possible.”



FEDERICA ROMEO BEATTIE
ASSOCIATE, SQUIRE AND PARTNERS



42% of members state equipping staff with the skills and knowledge to thrive in the future' as a primary reason for being a member.



74% of members said UKGBC had been supportive or very supportive to their team in developing the knowledge, skills and competencies required to achieve more sustainable outcomes. (Up from 65% last year).

“What a truly inspirational but practical leadership course, I enjoyed every minute, even the bits where I was way out of my comfort zone. Elfrida and her team created such a safe space to deeply explore our personal purpose and the change we want to see. I really feel like I've finished the course with a group of professional friends and I hope those relationships continue to grow over the coming months and years.”



PENNY GOWLER
DIRECTOR & HEAD OF SUSTAINABILITY,
ELIOTT WOOD



Activating Transformational Leadership

Nurturing transformational leadership in individuals working in the sector is central to UKGBC's theory of change. We believe that it takes strong personal leadership skills and a clear direction to drive transformative, climate-positive change in organisations and businesses.

Our leadership programmes have now been running for a number of years, but this financial year was one to remember. Following the Covid-19 lockdowns, it was brilliant to have everyone back meeting in person and collaborating together on all of our programmes:

- **Future Leaders** – the leadership programme for early career professionals with 5-10 years' experience who are given the opportunity to work collaboratively while confronting the most critical issues facing the sector.
- **Change Accelerator** – a three-month programme bringing together middle to senior level professionals from across the built environment.
- **Recalibrate** – a leadership enrichment programme, which is a part of our Leader's Network, and is aimed at CEOs and Board members in the UK's built environment.

What became clear across our programmes, was the importance of being in, and learning from, nature. In our leadership courses, we give all our participants the opportunity to reflect on their own sustainability purpose, away from their day to day responsibilities.

Outside of working in nature, participants across our three programmes were able to benefit from a range of expert inputs and high-profile keynote speakers; learning a variety of skills, including a spotlight on storytelling.

UKGBC's Leaders Network now consists of around 170+ like-minded Executive C-suite leaders from member organisations who come together at exclusive events to learn, connect and drive transformational change. Through the network, we provide inspiration, an opportunity to share stories and insights about sustainability leadership, instil a collective sense of purpose, and create a common vision – that of a built environment that enables people and planet to thrive ■



“We do not have control over all that happens to us, but we can definitely decide how to react and not be reduced by them.



TANIA GUERRA
PRINCIPAL MECHANICAL ENGINEER,
CHAMPMANBDSP

This seems just like common sense but I had to reinforce it and thanks to the Future Leaders 2021 programme now it is a part of me.”

“The future leaders course was incredibly beneficial to me as an individual, as well as to me as part of a company that is trying to help drive the sustainability of the built environment. I learnt so much



LAURA BATTY
ASSOCIATE, TECHNICAL
RESEARCH & SUSTAINABILITY,
HEYNE TILLET STEEL

about us as human beings and will be referring back to everything we learnt throughout my career.”

80+

↑ Member Organisations in our Leaders Network.

91/100+

↑ Average score on the extent the programme enabled them to feel clear on their purpose (0 = not at all, 100 = very clear) for Change Accelerator 2021.

90/100+

↑ Average score on the extent the programme enabled them to feel clear on their purpose (0 = not at all, 100 = very clear) for Future Leaders 2021.

75%

↑ Of members said UKGBC had been successful or very successful at inspiring leaders to drive transformational change.



GOVERNMENT IMPACT INSIGHTS

Influencing Progressive National Policies

UKGBC is committed to and has a strong track record in galvanising its membership to shape and inform government policy.

This financial year some of our key aims were to: influence the government's Net Zero Strategy and Heat and Buildings Strategy; deliver our Net Zero Whole Life Carbon Roadmap and in particular raise awareness of the need for a nationwide programme of home retrofit, and the role of the planning system in achieving net-zero carbon.

Our impact on all these fronts during this financial year underscores our growing influence on policy, albeit we continue to call for a much stronger policy framework across all our key impact areas.

In July we welcomed the changes to the National Model Design Code for England, which incorporated many of our suggestions.

Firstly, we continued to push for a more climate-centric approach to the Planning system, and wrote to the Prime Minister in the summer, alongside the Aldersgate Group and over 100 prominent business leaders, calling for the net zero transition, and nature and climate resilience, to be at the heart of the new planning reforms. Although these reforms were delayed

until 2022, in July we welcomed the changes to the National Model Design Code for England, which incorporated many of our suggestions.

COP26 dominated the financial year, and a couple of weeks ahead of this critical event we saw the release of government's Heat and Building's Strategy and Net Zero Strategy.

At UKGBC we identified that the Heat and Buildings Strategy could be a key opportunity for Downing Street to introduce meaningful, positive change, so we worked hard in the run up to lobby government to take advantage of this strategy. However, while it was encouraging to see the growing recognition that fossil fuels must be phased out, we were disappointed at the detail and the failure to address some of UKGBC's key priorities specifically the energy efficiency of buildings. In the months following, we have used our Whole Life Carbon Roadmap, launched in November, to work with government to shape legislation moving forward.

“The publication in 2020 of the National Model Design Code, together with the National Design Guide, by the Ministry of Housing Communities and Local Government, helps put design quality and sustainability back into the heart of the planning system. It followed extensive consultation with industry, professional leaders and expert bodies, including UKGBC, which served as an important source

of knowledge that helped inform the detailed guidance on carbon, energy and wider environmental matters.”



ANDY VON BRADSKY
FORMER HEAD OF ARCHITECTURE
MHCLG 2016-2021

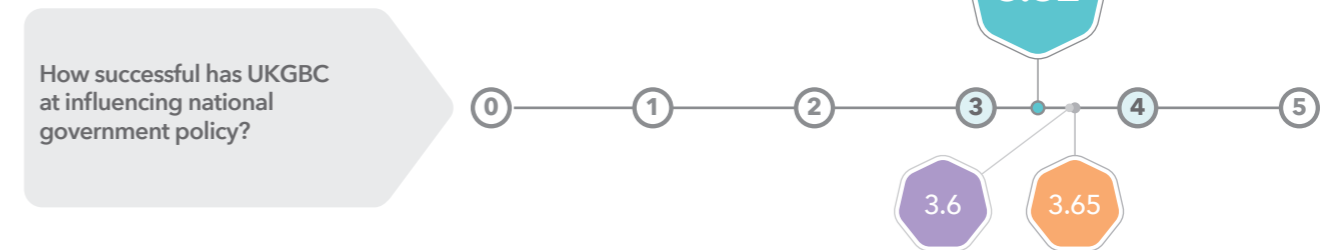
2022 has been tumultuous so far, with the energy crisis looming large.

It remains our view that a central way to tackle the energy crisis, as well as the UK's transition to net zero, is to reduce energy demand, and we will continue to push for the large-scale retrofitting of the UK's housing stock, as outlined in our Net Zero Whole Life Carbon Roadmap.

In collaboration with our membership, we wrote to the Chancellor ahead of his Spring Statement urging him to prioritise support for domestic energy efficiency and low carbon heat. It was pleasing to see one of our proposals regarding the VAT cut on energy saving measures taken forward, however, more needs to be done.

UKGBC has built strong relationships with ministers and policy-makers, and we are having ongoing conversations with them on all of these fronts, including presenting our Roadmap. We endeavour to see the impact of this in the next fiscal year ■

MEMBER SURVEY | 2022 | 2021 | 2020



60

Meetings with Westminster (last year 56).

140

Paying members involved in national policy work (up from 116 last year, and 73 the year before).

14

National consultations or inquiries responded to (up from 6 last year).



Supporting Local Policy-Making and Leadership

Central government alone cannot solve the carbon crisis. Local governments are some of the most powerful catalysts for change in the built environment and throughout this financial year we continued to collaborate with local and combined authorities throughout the UK to further accelerate their already impressive sustainability outcomes.

Recognising the vital role that retrofitting the UK's existing buildings will play in achieving net zero by 2050, the main focus of our work with local government this year has been on retrofit – particularly how to break the deadlock and drive forward the mass scale retrofit of existing homes.

The Accelerator Cities project, which has been running since 2019, brings together some of the UK's most ambitious local and combined authorities and other key stakeholders to enable collaboration and galvanise action.

Building on existing UKGBC guidance for Local Authorities, such as the Retrofit Playbook, we shifted our focus this year to the 'how' of retrofit – the real nuts and bolts of what local government

needs to drive forward retrofit at scale. With this in mind, we ran a series of 5 workshops with local government and industry members to help develop a 'Regional Retrofit Mobilisation Plan'. The workshops explored issues such as how authorities can build the business case for retrofit, the different delivery options and the types of finance needed to initiate retrofit projects – both at the local authority and individual householder level. The Mobilisation Plan will be finalised and published in 2022.

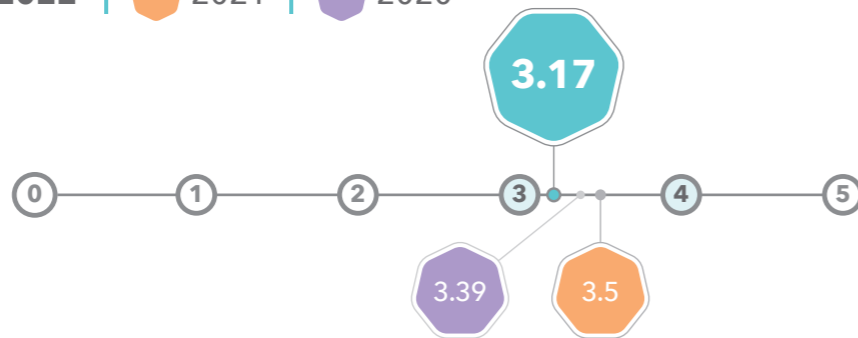
To further support action on retrofit, the BUILD UPON2 Renovation Framework was launched in December, to enable local government to measure the multiple benefits of building retrofit. The Framework was

the culmination of two years' work as part of the European Union Horizon-2020 BUILD UPON project, a collaboration alongside World GBC, the Building Performance Institute Europe, seven European Green Building Councils and over 30 local authorities across Europe.

It defines a number of environmental, social and economic indicators that can be measured in a simple and standardised way at city or project level on any retrofit project, enabling local governments to track the benefits of their renovation schemes. Not only can this help inform best practice, but it can build the business case for future retrofit and increase public awareness of building renovation benefits ■

MEMBER SURVEY | 2022 | 2021 | 2020

How successful has UKGBC been at influencing local government policy?



41

meetings with Local Authorities and Devolved Nations (more than doubled since 20/21).

35

Number of Local Authorities involved in cities programme.

55

Members involved in local policy.

Increasing our Footprint in Scotland

At COP26, we fulfilled a long-held ambition to formalise our network in Scotland with the official launch of UKGBC Scotland, featuring guest speakers including Patrick Harvie MSP, the Minister for Zero Carbon, Active Travel and Tenants' Rights.

The Scottish government's ambitious target to hit net zero nationwide by 2045 – five years ahead of the UK-wide target – as well as its launch of the Scottish Heat and Buildings Strategy ahead of COP26, and before central government had set out a UK-wide strategy, demonstrate the region's progressive political policy environment.

We are hoping through our new presence to further accelerate Scotland's already impressive sustainability outcomes through a programme tailored to the unique needs and opportunities that the nation presents.

Since the launch event, we have already joined the Scottish government's Green Heat Finance Taskforce and held our first policy roundtable with the government following a survey of our Scottish members to feedback on policy priorities.

This coming year we intend to continue reinvigorating our local networks, as well as our presence in Scotland. In Scotland specifically, we're going to take steps to support the nation as best as we can, including widening our Scottish team. It remains our view that positive impact at a local level is key to driving forward policy change in central government ■

“The move to net zero is a huge transition, affecting communities, businesses and households all across Scotland and we must all work collaboratively to deliver it. I therefore warmly welcome UK Green Building Council's intention to establish a permanent presence in Scotland. Their expertise will be invaluable as



PATRICK HARVIE MSP
MINISTER FOR ZERO CARBON BUILDINGS,
ACTIVE TRAVEL AND TENANTS' RIGHTS

we work with the sector to deliver cleaner, greener, buildings for the people of Scotland through our Heat in Buildings Strategy.”



IMPACT AREAS

CLIMATE CHANGE: MITIGATION

Advancing Net Zero

Our Advancing Net Zero programme, launched in 2018, is designed to help drive the transition to net zero in the UK by delivering the requisite emissions reductions in the build environment. The launch of our Whole Life Carbon Roadmap at COP26 is a significant step forward on the pathway to making this a reality.

Since the launch of our Net Zero Carbon Buildings: A Framework Definition in 2019, which provides clarity on how to achieve net zero carbon in buildings, we have had an increasing amount of interest in and demand for guidance on net zero buildings. In response we published a suite of additional guidance to build on the original Framework, including guidance on how to verify a building as net zero carbon.

Currently, in order to achieve net zero in line with the Framework, and to ensure transparency, stakeholders must publicly disclose information for their buildings and obtain third-party verification against UKGBC's minimum reporting template. However, we are conscious that this is not a certification scheme or 'verification standard'.

In response, we recently conducted market analysis, in collaboration with industry bodies, to better understand what a potential verification scheme needs to look like. The outcome of this analysis indicated a clear need for a transparent verification process, which could be delivered through an asset-level Net Zero Carbon Buildings Verification Standard.

In the coming financial year, we will be collaborating with industry bodies to start planning the potential development of this Standard.

Our Advancing Net Zero team has also continued working on a series of reports on Cost Evaluation, which examine the design and cost implications of minimising embodied carbon in real-world projects.

411

individuals involved in ANZ work (not including event attendees), across 24 opportunities.

The most recent of these, 'Building the case for Net Zero: A case study for low carbon residential developments', launched in Q4, relates to a low-rise residential scheme in south west Cambridgeshire, and demonstrates how housing developers can achieve a 20% embodied carbon reduction across low-rise residential developments through masterplan-level design interventions.

This latest report sits alongside the Whole Life Carbon Roadmap, all coordinated by the same team at UKGBC, which in the coming year will continue refining the Framework, and in particular verification, helping to create impact through tangible guidance on the road to Net Zero ■

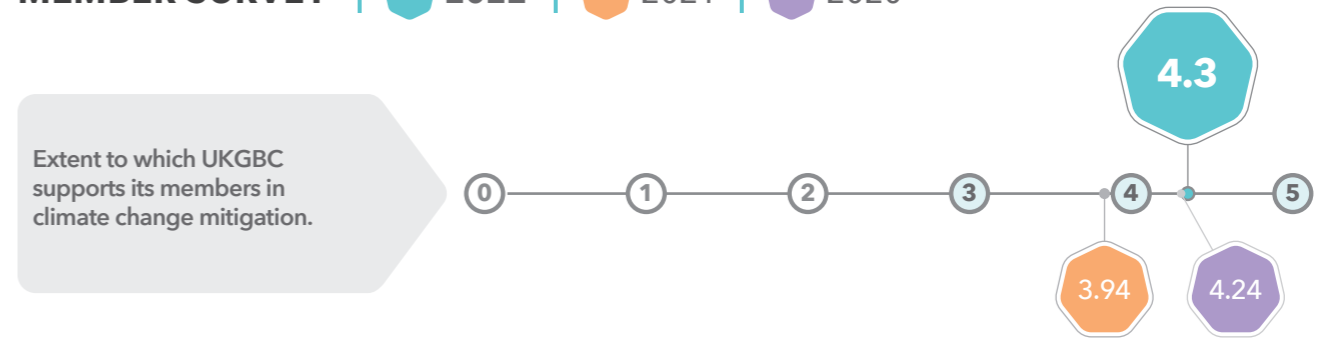
RENDER BY TERENCE O'ROUKE

“UKGBC's Advancing Net Zero programme is helping to set the direction and pace of change needed to accelerate the uptake of net zero carbon buildings, not only in the UK, but also providing inspiration internationally. From building market demand through its promotion of the WorldGBC Net Zero Carbon Buildings Commitment, to expanding guidance on net zero buildings at the asset-level, UKGBC is engaging all levers to help make the net zero challenge achievable. The Laudes Foundation is a very proud funder of this work.”



JAMES DRINKWATER
HEAD OF BUILT ENVIRONMENT
LAUDES FOUNDATION

MEMBER SURVEY | 2022 | 2021 | 2020



IMPACT AREAS

IMPACT FOCUS: WHOLE LIFE CARBON ROADMAP

Creating the Roadmap

The urgency to act on the climate crisis has never been greater and the built environment's role in this is clear. As a sector we are responsible for 25% of UK carbon emissions and have a pressing duty to accelerate decarbonisation within it.

Throughout 2021, UKGBC has been leading on a landmark project with a cross-industry team. Our Net Zero Whole Life Carbon Roadmap for the UK Built Environment provides, for the first time, a shared vision and set of actions for achieving net zero carbon by 2050 in the built environment.

The Roadmap is a multi-stakeholder initiative – produced by the sector and for the sector, with all data modelling conducted by Arup, and involving widespread consultation with over 100 other entities and organisations. It is

one of several roadmaps being developed by several European Green Building Councils under the World GBC's Building Life Project.

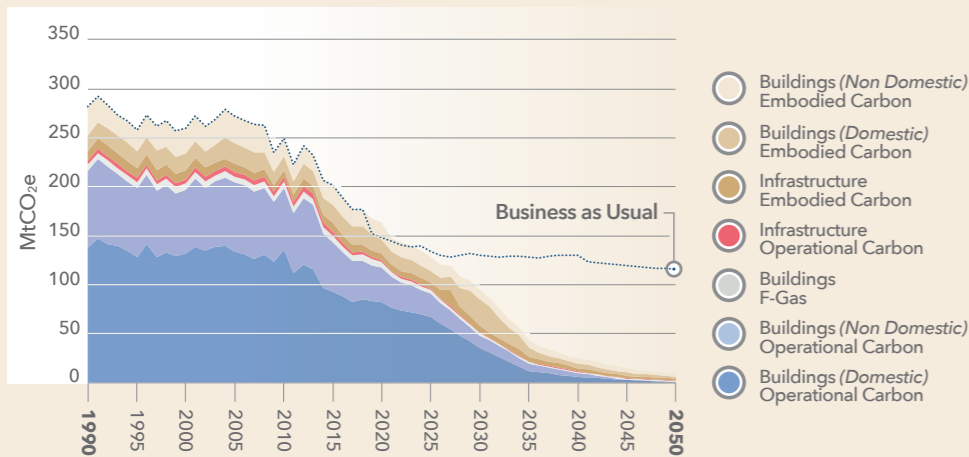
To facilitate engagement on this important project, we convened a pan-industry Steering Group which provided review and strategic oversight, while four Task Groups, focused on New Build, Domestic Retrofit, Non-Domestic Retrofit and Infrastructure, developed its content.

The Roadmap provides a coherent pathway on the road to net zero, detailing the actions that both government and industry must

take. It quantifies the specific emissions reductions across sub-sectors of the built environment that will need to take place year-on-year to meet the 2050 deadline.

The main elements of the Roadmap include a Net Zero Carbon trajectory to 2050 for the built environment, as well as policy recommendations and industry action plans to deliver this scenario.

UK BUILT ENVIRONMENT GHG EMISSIONS 1990-2050



108

paying members involved in the Roadmap's creation

154

unique individuals engaged in the activities.

71

consultation responses.

1000+

have watched the event launch.

94

media mentions - 100% positive.

2.8^M

The coverage during COP alone had 2.8m potential reach.

2.4^K

During COP26 there were 2.4k engagements on Social Media.

Our launch of the Roadmap at COP26 brought together leading voices from across the industry, including former RIBA president and UKGBC chair Sunand Prasad as well as Lord Callanan, the Minister for Business, Energy and Corporate Responsibility, to discuss the vision and pathway to achieving net zero in the construction, operation and demolition of buildings and infrastructure.

We believe that everyone must play their part, and while the Roadmap is only the beginning, it provides a clearer path forward.

Since its launch we have continued sharing it as widely as possible both with industry and government and intend to continue doing so in the coming financial year.

We are also developing a plan to ensure the Roadmap is updated. We held an event at the end of March to assess the sector's response to date, considered key policy asks from government and explored next steps.

We shall be holding similar events during the coming financial year to enable further dialogue on how the milestones and actions in the Roadmap can be achieved, taking more opportunities to ensure the trajectory has measured impact

“Development of the Net Zero Whole Life Carbon Roadmap is a great example of what can be achieved through collaborative action and we now have a shared vision and target date for the decarbonisation of our sector. As an industry, our technical expertise will help us to play a vital role in tackling the climate and biodiversity emergencies.”



COLIN WOOD
CHIEF EXECUTIVE
EUROPE AND INDIA, AECOM



IMPACT AREAS CLIMATE RESILIENCE AND NATURE BASED SOLUTIONS

The IPCC's report on Adaptation, Impacts and Vulnerability, published in February, serves as a dire warning that action is needed now to deal with the risks that climate change poses, particularly so in urban areas.

UKGBC's ambition is for all buildings and infrastructure to be climate-resilient, and maximise environmental net gains, through the prioritisation of Nature-based Solutions (NBS), by 2030.

Throughout the year, we have been coordinating consultation, facilitating collaboration, and sharing learning in order to empower our members and the wider built environment to achieve more ambitious NBS targets.

Our Principles for Delivering Urban Nature-based Solutions provides direction to developers and owners in the design and delivery of NBS, alongside practical case studies. Launched at the start of the financial year, the principles

are there to help the sector increase its use of NBS as an adaptation measure.

We know that behavioural changes are needed for NBS to be implemented effectively, and while there are no quick fixes, our 'Investing in a Greener Greater Manchester: A nature-based solutions investment guide for local authorities', launched in the summer, outlines a range of recommendations and opportunities for local authorities, demonstrating the benefits and feasibility of large scale, public-sector-led NBS delivery.



For helping with Climate Adaptation.



Nature and Biodiversity.



Climate risk disclosure will become mandatory for large organisations and financial institutions from April 2022, following recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

There were concerns on the lack of guidance on physical risk disclosure of built assets, and in February 2022 we published a Framework for Measuring and Reporting of Climate-related Physical Risks to Built Assets, which provides a methodology to measure such risk, and empowers businesses to better understand and plan for them.

The financing of adaptation measures remains a challenge, and our event on behalf of the IGNITION project, with support

from the Environment Agency and the Greater Manchester Combined Authority, discussed the role of NBS in adapting built assets and the need to find innovative financial models for NBS.

Our subsequent launch of 'Financing the Built Asset Adaptation Gap: Short Report' at COP26 summarises those discussions and recommends next steps for the sector.

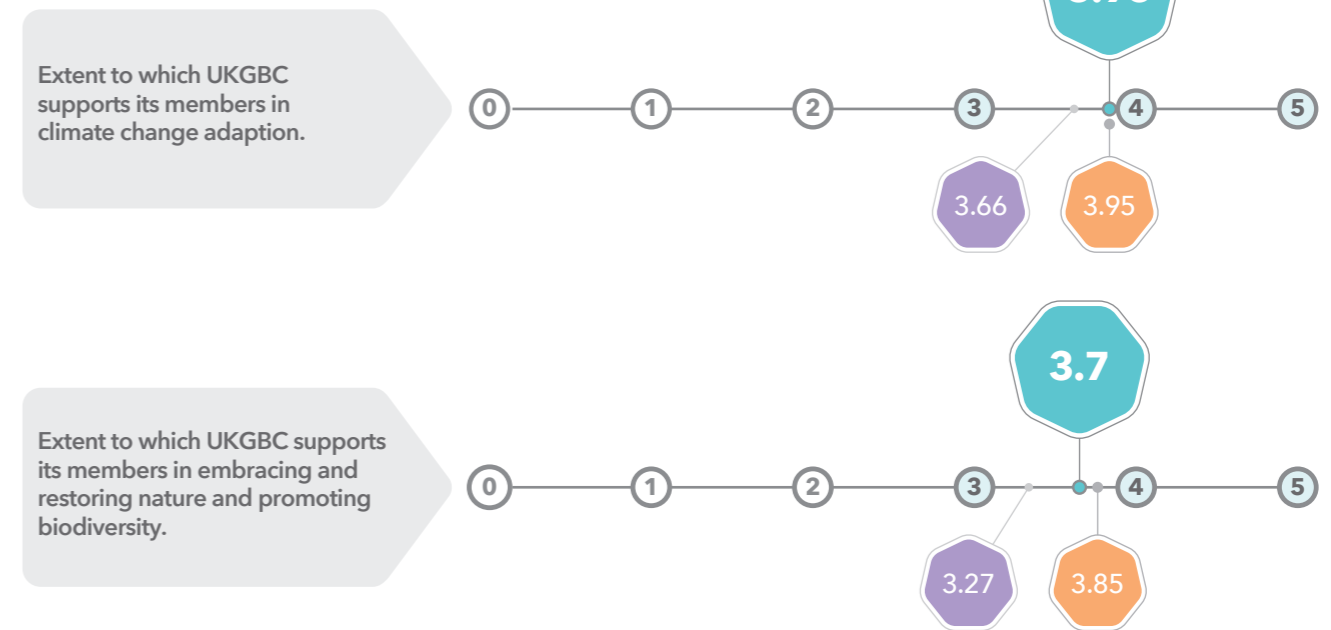
While our involvement in the IGNITION project came to an end this year, UKGBC continues to be committed to enabling our members to understand the value of NBS and we will be providing further opportunities for collaboration and learning throughout the coming year ■

UKGBC's Resilience and NBS programme tapped into the expertise of industry professionals to produce tools and guidance that will enable the built environment industry to respond to the twin challenges of the climate and biodiversity emergency. The value of this work, to developers, will increase exponentially as investors continue to mitigate the climate and nature related risks within their portfolios."



ROB WINCH
SENIOR ESG CONSULTANT
HOARE LEA

MEMBER SURVEY | 2022 | 2021 | 2020



IMPACT AREAS RESOURCE USE

At UKGBC we are taking a solutions-based approach to encouraging circular economy principles among our members by raising awareness, developing practical guidance and influencing policy.

79

meetings of the Circular Economy Forum and Associated Working Groups.

240

individuals engaged in the Circular Economy Work.

We have created a host of opportunities for members to share their learning on the implementation of circular economy principles, notably in our Circular Economy Live Project Forum.

The forum, a quarterly solutions-orientated space open to UKGBC members who are currently working on at least one live construction project, has proved to be a great success, facilitating lots of new conversations between different parts of the sector.

We also have member-led Working Groups outside the main forum, which discuss specific aspects of the Circular Economy including material reuse and measuring the circularity of built assets, and we intend to continue sharing the findings of these online throughout the coming financial year.

Our involvement in the CIRCuT programme, an EU-funded project involving 29 European partners across the value chain, which looks to apply circular economy thinking at a city level, is ongoing, and there will be further opportunities for our members to get involved in this programme.

During this financial year, there were unforeseen circumstances that meant two large reports were not finalised, which limited our impact outside of our bottom up networking activities – however these exciting projects were launched, and will be published in full next year.

Following COP26 in November, we sent out the industry survey that will inform the forthcoming guidance on Whole Life Carbon Reductions via Circular Economy Principles. The report will set out both the evidence and business case for using circular economy principles to support whole life carbon reductions.

Additionally, our next project, System Enablers for a Circular Economy was launched in March and aims to tackle the barriers to further adoption at scale of Circular Economy principles. The launch event saw our Partners discuss the challenges they face in this regard, and members too are encouraged to share their views interactively. All of this will help inform our upcoming work in this area ■



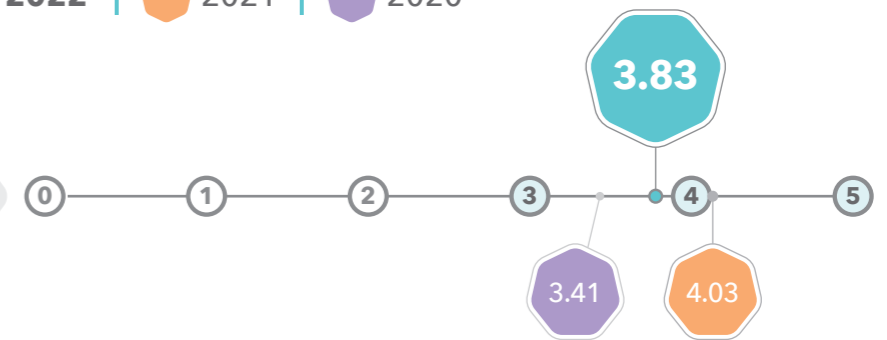
“UKGBC’s Circular Economy Forum gives the members and I a valuable opportunity to share ideas and pool resource, so that we can move ideas forward. In the Working Groups we focus on specific topics, digging into the detail with the aim to share our findings with the wider industry. It’s great to work with others in the industry who I’m not connected with through projects, and to be able to help the industry progress.”



STEVE GILCHRIST
PROJECT DIRECTOR
GROSVENOR PROPERTY UK

MEMBER SURVEY | 2022 | 2021 | 2020

Extent to which UKGBC supports in eliminating waste and maximising resource efficiency.



IMPACT AREAS SOCIAL VALUE AND HEALTH AND WELLBEING

Social value, as well as health and wellbeing, have risen further up the nation’s agenda as we learn to live with the impact of Covid as well as the cost of living crisis.

Carbon commitments have been rising across the built environment, and, as they do so, we have been focusing our efforts on ensuring that we have a just transition to net zero; one that ensures that no one is left behind. We are conscious that decarbonisation has the potential to deepen existing inequalities in society, and our focus is to support a transition to net zero in a way that ‘levels up’ communities.

Now complete, UKGBC’s Social Value programme supported the sector’s efforts to deliver better outcomes for communities.

Launched in 2019/2020 our programme initially sought to define the barriers to delivering social value, with a particular focus on: measurement; procurement and planning; investor reporting and community engagement.

We have since then further refined these principles through various means, including a social value framework. This financial year we have continued to further develop this framework by providing a Guide for Delivering Social Value on Built Environment Projects.

This offers a step-by-step process that can be flexibly applied to any project of any scale – from a single built asset to an entire urban regeneration project.

In the coming year, we will be drilling down further into the wider social impact of a more sustainable built environment; partly through a project to map the skills, jobs and capabilities needed to deliver net zero ■

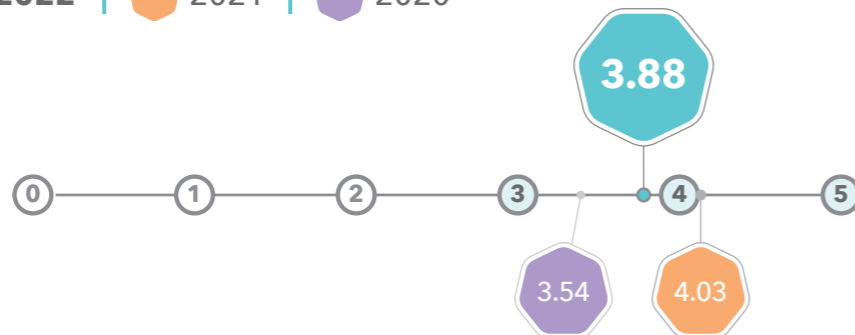
“UKGBC has played a critical role in facilitating knowledge sharing of this important issue for the industry. UKGBC’s resources are invaluable in terms of setting a standard for delivery in this emerging professional discipline and helping to ensure that work is about creating real, additional impact for our communities.”



SOPHIA GIBSON
ASSOCIATE DIRECTOR - SOCIAL VALUE
LEAD
CBRE

MEMBER SURVEY | 2022 | 2021 | 2020

Extent to which UKGBC supports its members in creating long term social value and improving quality of life for people.



IMPACT AREAS BUILD BETTER NOW

Governments worldwide have committed to a legally binding target of net zero emissions by 2050. We know why we need to accelerate climate action; the question is how? The built environment has a central role to play in supporting the world's transition to a net zero carbon economy.

To answer this question UKGBC, with over 150 partners from the industry, created Build Better Now. Build Better Now was an engaging, virtual experience and event series showcasing some of the most progressive built environment projects from around the world which demonstrate the art of the possible. From climate mitigation and adaptation to natural resource use and nature-based solutions, Build Better Now raised awareness of the environmental impact of the buildings and cities we inhabit, & offers innovative and practical solutions to mitigating climate change and highlights how a more responsible and sustainable built environment is within our grasp.

Launching on the first day of COP26 gave the sector a strong presence as well as a voice at the Glasgow climate conference, demonstrating how much can be achieved if we work together cohesively. Particularly, at a conference that was dismissed and criticised as being inaccessible – both the virtual exhibition and events series were a way for those worldwide to access tangible climate solutions.

Response to the Virtual Exhibition space, designed by AECOM, was overwhelmingly positive. Including video commentaries from Grand Designs presenter, Kevin McCloud, and circular economy

advocate, Ellen McArthur, as well as interactive elements to share solutions in unique ways.

Our events space, meanwhile, features a series of learning opportunities through tours, talks and panel discussions with speakers from across the global built environment sector.

The daily programme of events was livestreamed at the Glasgow conference last November and followed the themes of the official COP26 programme.

While COP26 may be over, our exhibition remains online, and we continue to have a lot of interest with daily visitors to the site. Our events too remain available to watch on demand.

Together, we believe that they create a legacy that will live far beyond the Glasgow climate conference and inspire the sector globally to create more sustainable buildings and cities in the future ■

43

↑ Delivery partners

76

↑ Commercial Partners

44

↑ Event partners

150+

↑ Organisations and stakeholders

3,000+

↑ Live Events views



40^K

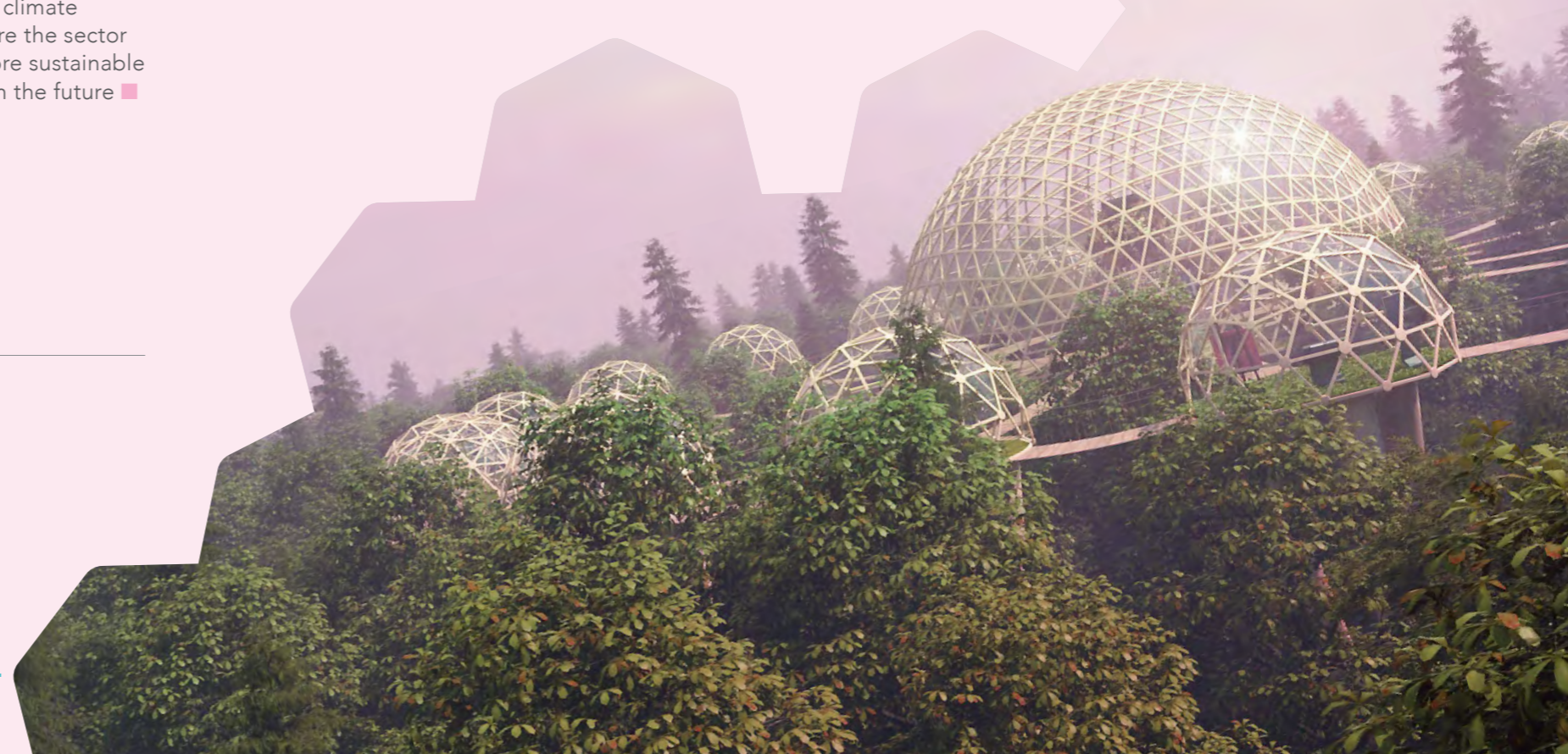
Unique Page Views to virtualpavilion.co

86

Pieces of coverage

681

Endorsements on social media over the month.





OUR IMPACT AT UKGBC

As well as the impact we create through our traditional work streams, it's important to us here at UKGBC that our internal activities reflect our key values and help contribute to creating a better built environment.

Continuing our Journey to Net Zero

Reacting to the changes in our ways of working due to Covid, the UKGBC Green Team reviewed our own energy use and offsetting strategy to ensure we could maintain our organisational commitments while working from home.

We calculated our emissions using a home working methodology and are adjusting our offsetting policy in line with best practice in UKGBC's industry guidance. This includes an evaluation of the type of offsets being utilised to ensure additionality, and positive change.

A holistic approach has been taken this year when reviewing UKGBC's impact as an organisation. Additional to carbon, the team have reviewed areas where impact can be evolved including UKGBC catering and food/beverage guidelines, the use of charity volunteering days and office material usage.

In light of the shift from the office to home, the Green Team have found alternative and creative ways to ensure each member is involved in a sustainable activity whilst remote. This has included team-wide distribution of seed packets; encouraging each individual to care for and grow their own plants at home.

Staff Wellbeing and Workplace Culture

As our team grew, it became clear that it was important to introduce a member of staff responsible for HR – so in June 2021 UKGBC welcomed aboard its first People Manager. Having a dedicated People Manager has enabled UKGBC to provide more support for our employees – for example by introducing mental health and wellbeing assistance through both awareness trainings and MetLife's Group Life Employee Assistance Programme (EAP) that allows employees to access counselling and support.

Diversity and Inclusion

This year saw the second year of our Diversity and Inclusion (D&I) Working Group, who continued to rethink how we work at UKGBC to foster a more inclusive environment. This began with our partnership with Inclusive Employees beginning in earnest, including training sessions for our whole team. Inspired by these conversations, a team member from the D&I working group shared with the whole team about the importance and use of pronouns in conversation and email signatures at work. In turn, this inspired more team members to engage with issues facing the LGBT+ community

and, if comfortable, include their pronouns in their email signature to create a more inclusive environment.

One of the group's key focuses has been on improving our hiring process so that we are welcoming to those from all different backgrounds. This includes, introducing blind hiring through hireful, scanning all job adverts for gender bias, updating our Diversity & Inclusion Statement so that it accurately reflects our values and hiring through organisations like 10,000 Black Interns to widen our hiring pool ■

UPCOMING IN THE YEAR AHEAD

It has been an unprecedented year at UKGBC; one in which we have seen the sector move from talk about climate change to meaningful action.

This coming year we plan on building on this momentum, facilitating further and faster climate action in the sector. Influencing policies and engaging with government at all levels will be central to this, as well as providing actionable guidance for change, and further opportunities for learning and collaboration for our members.

We have committed to a three-year plan, as laid out in our 2025 Strategy. This will take us halfway through this crucial decade and is a critical milestone in our journey to a better built environment.

Our aims for the coming year include:

Putting climate mitigation and resilience front and centre:

- **Advocating** for climate mitigation through our Advancing Net Zero programme, including the Net Zero Whole Life Carbon Roadmap, helping the sector to understand and implement its recommendations.

- **Investing** more in our Resilience and Nature programme, including critical target setting, to ensure the road to effective climate adaptation, as well as climate mitigation, is clearly outlined, endorsed by industry and comprehensively underway.

Improving the Membership experience and performance

- **Challenging** our members to commit to more ambitious targets on climate action.
- **Improving** our members' experience, both digitally and in person; providing more opportunities for collaboration, learning and convening.

Shaping progressive policy

- **Engaging** our members in advocating for a progressive message to government, influencing policy within national and local government, as well as in the devolved nations.
- **Working** closely with government on core impact areas including net zero, planning, biodiversity and adaptation.

As we move forward, we are committed to supporting our members and the wider sector to deliver even more measurable change. We will be building on the growth we have experienced this year while refining our processes even further, so that we are best placed to catalyse even greater impact in the sector ■



of members want us to extend the minimum sustainability requirement of membership. (This is up from 80% last year).



PROGRAMME AND PROJECT PARTNERS FY 2021-22

Advancing Net Zero Programme Partners

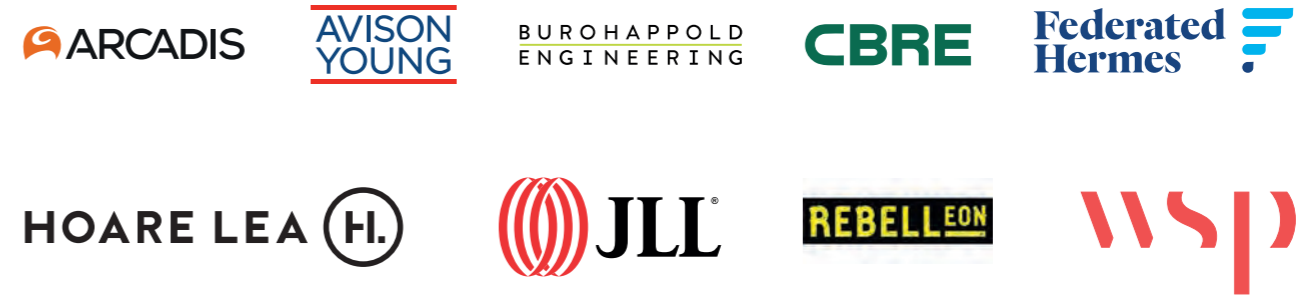
Lead Partner:



Corporate Partners



Social Value Partners



Resilience and NBS



Circular Economy



Whole Life Carbon Roadmap



Leaders Network

With thanks to our strategic partners:



And our events partner:



TRUSTEES REPORT AND FINANCIAL STATEMENTS 2021 > 22

31 MARCH 2022

REPORTS & FINANCIAL
STATEMENTS

REPORTS

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 originally established under Memorandum and Articles which established the objects and powers of the charitable company. New Articles of Association were approved by the Charity Commission on 21 January 2020.	
Board of Trustees	Estelle Bailey Basil Demeroutis (Co-opted) Judith Everett Jerome Frost OBE Mina Hasman (Co-opted) Bill Hughes Chris Oglesby	David Partridge Sunand Prasad Victoria Quinlan Lorna Walker Rick Willmott Derek Wilson (Co-opted)
Company Secretary and Chief Executive	Julie Hirigoyen	
Senior Management Team Chief Executive Director of Policy and Places Director of Membership & Partnerships Director of Experiential Learning and Leadership Director of Business Transformation	Julie Hirigoyen Simon McWhirter Munish Datta Elfrida Hamilton-Russell 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	

TRUSTEES' REPORT YEAR TO 31 MARCH 2022

The trustees present their annual report and the audited financial statements of UKGBC Limited (UKGBC) for the year ended 31 March 2022.

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 65 to 75 and comply with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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:-

- 1.1** To increase the sustainability of the built environment by improving the way it is planned, designed, constructed, maintained, operated, modified and replaced ("Improving sustainability").
- 1.2** To advance the education of the public in the sustainability, conservation, protection and improvement of the built environment ("Education").
- 1.3** To promote the sustainability, conservation, protection and improvement of the built environment ("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.

FINANCIAL REVIEW

RESULTS FOR THE YEAR

Demand increased steeply for UKGBC's services in supporting the greening of the Built Environment. This is reflected in greater income and a corresponding expansion in the organisation, and its expenditure.

Total income for the year increased by £783,499 (34%) to £3,090,449 (2021: £2,306,950) compared to the previous year.

The primary income source, accounting for 57% of total income (2021: 62%) is membership subscriptions. These have increased by £344,330 on 2021, with total membership fees in the year amounting to £1,771,483 (2021: £1,427,153).

Grant and contract income has decreased by 25% to £450,695 (2021: £599,099) Securing funds from the Laudes Foundation, Kobenhavns Kommune and Greater Manchester Combined Authority.

Partnership Income increased by £456,547 to £555,414. Income was received from multiple partners to support the steep increase in demand for programs.

Education course income increased by 38% to £224,080 (2021: £162,502).

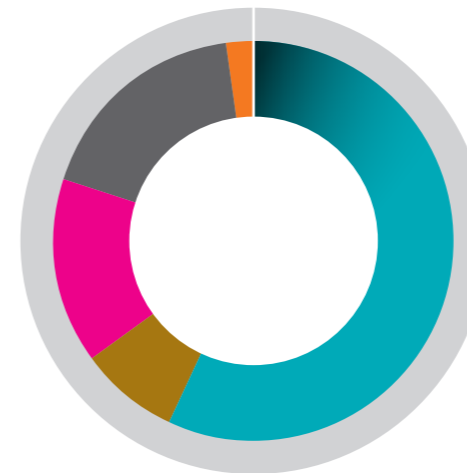
There was no major event income in the year (2021: £nil) as UKGBC did not organise any major sponsored events in FY2021-22.

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 amounts to £47,703 (2020: £31,575).

Total expenditure increased by £854,595 in the year to £2,983,265 (2021: £2,128,670) largely a result of expenditure associated with staff costs. Staff costs remain our biggest single cost, comprising 63% (2021: 64%) of costs at £1,921,593 (2021: £1,562,791) in total.

Support costs in the year came to £651,527 versus an equivalent of £581,410 in the previous year, which is mainly as a result of increased staff costs due to the recruitment of dedicated HR and Operations staff.

Overall the charity generated a surplus of £107,184 (2021: £178,280) in the year, which increased charitable funds to £1,124,893 (2021: £1,017,709).



Where our funds come from

- Membership **57%**
- Education Course Fees **8%**
- Grants **15%**
- Partnership **18%**
- Other Income **2%**



Analysis of our expenditure

- Improving Sustainability **54%**
- Education **15%**
- Raising Awareness **9%**
- Support Costs **22%**

FINANCIAL REVIEW CONTINUED

RESERVES POLICY, FINANCIAL POSITION AND GOING CONCERN ASSESSMENT

Change in Reserves policy

Previously, UKGBC maintained a minimum reserves requirement equivalent to 4 months unrestricted expenditure and capable of absorbing a 40% loss in annual membership income.

UKGBC Membership income is received annually in advance, over a rolling year, and an average 6 months income is deferred at any time. The trustees now view deferred Income as the main component of the buffer against financial difficulties. Holding a reserve in addition to deferred income would only be required as a top up to provide a minimum level of cover – if it were needed.

Over the next 3 years, the trustees propose investment budgets that will increase UKGBC's reach and consume excess reserves. This approach will be reviewed annually. This policy includes a provision to assess whether deferred membership Income is at a level which ensures that UKGBC's core activities could continue during a period of unforeseen difficulty and that a proportion of funds be maintained on easy access deposit. The calculation of the required level of deferred membership Income 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.

The methods recommended for calculating the minimum level of deferred membership income (which fall under the Charity Commission's recommended reserve policy guidelines for less complex charities) are that:

- 1 The policy addresses the risk of the need for unforeseen expenditure
- 2 The policy addresses the risks associated with the loss of a source of income

In using each of these in turn, the trustees of UKGBC calculate and test whether the level of deferred Income is adequate. To feed into the Budget FY2022-23, the reserves policy was reviewed and updated in March 2022.

The need for unforeseen expenditure

This method involves calculating the expenditure that would be required to maintain UKGBC's ordinary activities for a period of four months. The level of deferred Income provision, based on four months of UKGBC's FY2022-23 budgeted unrestricted expenditure (excluding depreciation) is approximately £839,000.

Risks associated with the loss of a source of income

Membership fees constitute 58% of UKGBC's income. Despite the economic hardship experienced during the COVID-19 pandemic in FY21-2, membership fees grew strongly £344,000 (24%).

However, the trustees view the current wider geopolitical situation and economic outlook as a potential trigger of major recession in the UK. Based on the total budgeted income from membership renewals in FY2022-23 being £2.03m, applying a worst-case scenario of 20% attrition would give rise to a loss of income of approximately £185k. If membership attrition is greater than 20%, cost-mitigating strategies will be implemented to reduce the impact of this on the charity.

UKGBC proposal for FY2022-23 is another 'extraordinary investment budget' aiming to fully harness the unprecedented momentum for UKGBC's mission within business boardrooms, financial markets and socio-politically. Mitigating climate risks, net zero carbon, biodiversity & Nature, and ESG, the backdrop of COP26, the Race to Zero and the Green Industrial Revolution are just some of the drivers converting into significant growth in membership and high grant and sponsorship funding commitments secured. The board is supportive of the UKGBC executive team to re-invest funds held in excess of the reserves requirement where these can be deployed to amplify impactful outcomes against the charitable objectives.

The trustees consider that, based on current estimates, the minimum level of deferred income for 2022/23 would be between £185,000 and £839,000, as determined by the two tests above.

At 31 March 2022, deferred membership Income was £1,009,407 which is in excess of the minimum requirement. In addition, free reserves (excluding the net book value of fixed assets of £13,776) amounted to £1,111,117.

Going concern assessment

Trustees have assessed the impact of external influences on the charities activities, and the adequacy of resources to operate in the current climate over the next financial period.

Based on the current plans, assumptions and forecasts, whilst acknowledging there are additional financial risks, the trustees believe it is appropriate for the charity to continue to prepare the financial statements on the going concern basis.

Investment policy and performance

The trustees have wide-ranging powers of investment as determined by the 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 financial statements 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 financial statements with the charity's bankers.

The invested funds held in fixed deposit financial statements together with those in interest-bearing current financial statements achieved an average rate of return 0.54% (2021: – 0.38%).

Fundraising statement

Over the course of FY2021-22, UKGBC did not undertake any public fundraising activity, nor do our commercial and corporate supporters undertake any public fundraising on our behalf. UKGBC does not have any subsidiary trading companies, nor do we employ commercial third parties to undertake fundraising on our behalf. There were no complaints in the year in relation to our fundraising.

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. These risks are reviewed annually by the whole Board 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 pre-emptive rather than box ticking.

The risk management framework is put forward by the Leadership 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 detailed risk and mitigation report featuring quantitative/qualitative indicators will be reviewed by the R&A Committee at least twice a year.

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 on the next page:

RISK IDENTIFIED	ACTION TAKEN TO MITIGATE THE RISK
EXTERNAL (Environmental): Lack of capacity to meet unprecedented demand	<p>Acceleration of resourcing at all levels and strict prioritisation of which opportunities to pursue. Some re-jigging of responsibilities taking place within the Business Transformation team to overcome individual staff concerns about workload vs capacity.</p> <p>More regular reviews of staff time allocation – reality vs planned – to understand true cost of delivering key projects or initiatives.</p> <p>Comprehensive review of member value proposition underway to meet member demand through centralised services / outputs.</p>
PEOPLE: Staff turnover	<p>UKGBC has appointed a People Manager enabling us to put even more time to people related initiatives including health & wellbeing, training, D&I, team get togethers, socials etc – all of which are crucial components of a People Centric culture. There will be greater focus on career development and succession planning in 2022.</p> <p>Annual staff survey conducted to seek feedback in key areas with results in 2021 being highest they have ever been. Currently work underway to strengthen core values and team working practices. Exit interviews are conducted with all voluntary leavers – analysed for trend reporting. Comprehensive salary benchmarking conducted in Jan 2022 – with proposals to close gaps for significant deviations. LT are all on 3 month notice periods, and CEO on 6 months notice. Key person insurance exists for LT.</p>
EXTERNAL (Economic): Economic downturn & market uncertainty due to war in Ukraine / COVID / other	<p>UKGBC has substantial reserves at year end 2021/22 and significant amounts of deferred income in the bank – all of which offers good protection against external financial shocks. A revised member value proposition has been developed – to be rolled out in Apr 2022, in particular the investment in centralised capacity to conduct research and convene members together across sub-sectors for shared learning and knowledge exchange. Attrition reviewed regularly by CEO, LT and R&A committee – currently the lowest it has ever been. Alternative funding sources (philanthropic, governmental) constantly being sought.</p>
FINANCIAL: Charities being increasingly targeted for Cyber Fraud and breach of data protection	<p>Clear roles and responsibilities in terms of data protection and increased training, security measures (e.g. Multi Factor Authentication, forced password reset, virus scans, geographical restrictions and Mimecast) have been deployed along with several other actions.</p>

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

UKGBC Limited 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. New Articles of Association were approved by the Charity Commission on 21 January 2020.

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 3 years, whereupon they retire by rotation. They may seek re-election.

The following trustees were in office and served between 1 April 2021 and up to the date of approval of this report, except where shown.

TRUSTEE	APPOINTED/RESIGNED
Estelle Bailey	Co-opted 30 June 2021 elected 16 September 2021
Basil Demeroutis	Co-opted 1 January 2022 for election at the next AGM
Judith Everett Jerome Frost OBE Mina Hasman Bill Hughes Chris Oglesby David Partridge Sunand Prasad Victoria Quinlan Lorna Walker Rick Willmott Derek Wilson	Co-Opted
	Co-Opted

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 new trustees are invited to attend a Role of Trustee course and along with other trustees are given regular opportunities to meet the senior management and other staff.

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 that 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 statements.

The pay of the Senior Management Team and all staff are reviewed annually by the Personnel & Nominations 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 membership bodies and trade associations.

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 financial statements 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 Statement of the trustees' responsibilities (continued)
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

STRUCTURE, GOVERNANCE AND MANAGEMENT CONTINUED

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.

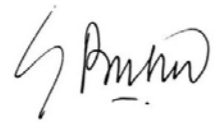
Each of the trustees confirms that:

- 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: Sunand Prasad
Date: 29th June 2022

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 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UKGBC LIMITED CONTINUED

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. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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, which is also the directors' report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the trustees' report, which is also the directors' report for the purposes of company law 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 and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UKGBC LIMITED CONTINUED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

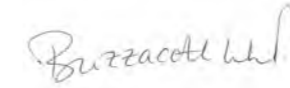
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 Blakemore
(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.

Date: 29th June 2022

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2022

	Notes	Un-restricted funds £	Restricted funds £	2022 Total funds £	Un-restricted funds £	Restricted funds £	2021 Total funds £
Income from:							
Donations and legacies	1	58,803	-	58,803	31,575	-	31,575
Charitable activities	2						
- Improving sustainability		2,248,497	450,695	2,699,192	1,459,339	559,099	2,018,439
- Education		236,580	-	236,580	162,502	-	162,502
- Raising awareness		90,900	-	90,900	80,430	1,980	82,410
Investments		4,974	-	4,974	3,460	-	3,460
Other sources		-	-	-	8,564	-	8,564
Total income		2,639,754	450,695	3,090,449	1,745,870	561,079	2,306,950
Expenditure on:							
Charitable activities	3						
- Improving sustainability		1,550,576	513,361	2,063,937	973,129	566,470	1,558,262
- Education		598,618	-	598,618	359,468	-	354,548
- Raising awareness		320,710	-	320,710	216,564	1,980	215,860
Total expenditure		2,469,904	513,361	2,983,265	1,549,161	568,450	2,128,670
Net income (expenditure) and movement in funds	5	169,850	(62,666)	107,184	185,650	(7,370)	178,280
Transfer between funds		(21,301)	21,301	-			
Reconciliation of funds							
Brought forward at 1 April		972,527	45,182	1,017,709	786,877	52,552	839,429
Carried forward at 31 March		1,121,076	3,817	1,124,893	972,527	45,182	1,017,709

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 YEAR TO 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	7	13,777			19,577
Current assets					
Debtors	8	742,566		555,367	
Short term deposits		915,300		910,381	
Cash at bank and in hand		1,109,045		1,109,275	
Total income		2,766,911		2,575,023	
Current liabilities					
Creditors: amounts falling due within one year	9	(1,655,795)		(1,576,891)	
Net current assets			1,111,116		998,132
Net current assets			1,124,893		1,017,709
The funds of the charity:					
Unrestricted funds	14				
- General funds			1,121,076		972,527
			1,121,076		972,527
Restricted funds	14		3,817		45,182
Total charity funds			1,124,893		1,017,709

Approved by the trustees and sign

The principal accounting policies and notes on pages 65 to 75 form part of these financial statements.



Chairman: Sunand Prasad

Date: 29th June 2022

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

STATEMENT OF CASH FLOWS YEAR TO 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	A	4,831	489,749
Cash inflow from investing activities			
Interest received		4,974	3,460
Purchase of tangible fixed assets		(5,343)	(7,615)
Proceeds from the sale of fixed assets		227	-
Net cash used in investing activities		(142)	(4,155)
Change in cash and cash equivalents in the year		4,689	485,594
Cash and cash equivalents at 1 April	B	2,019,656	1,534,062
Total cash and cash equivalents at 31 March	B	2,024,345	2,019,656

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

A RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2022 £	2021 £
Net income (as per the statement of financial activities)	107,184	178,280
Adjustments for:		
Depreciation charges	11,079	8,838
Deficit on sale of fixed assets	(162)	-
Investment income receivable	(4,974)	(3,460)
(Increase) decrease in debtors	(187,198)	14,900
Increase in creditors	78,902	291,191
Net cash provided by operating activities	4,831	489,749

B ANALYSIS OF CASH AND CASH EQUIVALENT

	2022 £	2021 £
Cash at bank and in hand	1,109,045	1,109,275
Short term deposits	915,300	910,381
Total cash and cash equivalents	2,024,345	2,019,656

C ANALYSIS OF CHANGES IN NET DEBT

	At 31 March 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,109,275	(230)	1,109,045
Short term deposits	910,381	4,919	915,300
Total	2,019,656	4,689	2,024,345

PRINCIPLE ACCOUNTING POLICIES YEAR TO 31 MARCH 2022

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 2022 with comparative information provided for the year to 31 March 2021.

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 financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 financial statements 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.

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 financial statements 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.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy.

They have concluded that although there is material uncertainty related to this, it is appropriate for the charity to continue to prepare the financial statements on the going concern basis.

PRINCIPLE ACCOUNTING POLICIES YEAR TO 31 MARCH 2022 CONTINUED

Going concern assessment

Trustees have assessed the impact of external influences on the charities activities, and the adequacy of resources to operate in the current climate over the next financial period.

Based on the current plans, assumptions and forecasts and in line with the reserves policy, the trustees are confident that there are sufficient funds. Additionally, should conditions deteriorate rapidly, there is capacity to cut costs. The trustees believe it is appropriate for the charity to continue to prepare the financial statements on the going concern basis.

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 2022

1 INCOME FROM DONATIONS AND LEGACIES

	2022 Total £	2021 Total £
Donations	11,100	-
Services donated	47,703	31,575
Total income	58,803	31,575

Included within donations and legacies are goods and services which have been donated to the charity during the year. This consists of venue hire £3,600 (2021: £nil) and Consultancy £44,103 (2021: £31,575).

2 INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Improving sustainability		
Membership income	1,771,483	1,427,153
Partnership income	477,014	32,186
Grant & contract income	450,695	559,099
	2,699,192	2,018,438
Education		
Leaders Network sponsorship income	12,500	13,750
Education course income	224,080	148,752
	236,580	162,502
Raising awareness		
Grant & contract income	-	1,980
Partnership income	78,400	66,680
Leaders Network sponsorship income	12,500	13,750
	90,900	82,410
Total charitable income	3,026,672	2,263,350

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs Other £	Direct costs Staff £	Support costs £	2022 £
Improving sustainability	559,895	1,035,410	468,632	2,063,937
Education	193,415	278,949	126,254	598,618
Raising awareness	138,925	125,144	56,641	320,710
	892,235	1,439,503	651,527	2,983,265

	Direct costs Other £	Direct costs Staff £	Support costs £	2021 £
Improving sustainability	415,359	718,050	424,853	1,558,262
Education	76,848	175,964	101,736	354,548
Raising awareness	65,075	95,964	54,821	215,860
	557,282	989,978	581,410	2,128,670

4 ANALYSIS OF SUPPORT COSTS

	Premises £	IT/Comms £	Admin Staff £	Governance £	2022 £
Improving sustainability	102,432	40,627	153,374	172,199	468,632
Education	27,596	10,945	41,321	46,392	126,254
Raising awareness	12,380	4,910	18,538	20,813	56,641
	142,408	56,482	213,233	239,404	651,527

	Premises £	IT/Comms £	Admin Staff £	Governance £	2021 £
Improving sustainability	95,286	32,179	112,410	184,978	424,853
Education	23,351	7,886	25,569	43,930	101,736
Raising awareness	12,735	4,301	14,217	23,568	54,821
	131,372	44,366	153,196	252,476	581,410

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

	2022	2021
Improving sustainability	72%	73%
Education	19%	18%
Raising awareness	9%	10%

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 MARCH 2022 CONTINUED

5 NET INCOME FOR THE YEAR

This is stated after charging/crediting:

	2022 £	2021 £
Auditor's remuneration		
Audit	10,075	12,000
Tax compliance services	-	1,500
Other assurance services	-	1,780
Depreciation	11,079	8,838
Pension costs	103,790	90,459

6 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Staff costs during the year were as follows:

	2022 £	2021 £
Salaries and wages	1,587,767	1,311,018
Social security costs	166,758	140,765
Pension contributions	103,790	90,459
Other employee costs	63,278	20,549
	1,921,593	1,562,791

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

	2022 Number	2021 Number
Charitable activities	30	22
Support	5	3
	35	25

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

	2022 Number	2021 Number
£60,001 – £70,000	-	-
£70,001 – £80,000	1	2
£80,001 – £90,000	2	1
£90,001 – £100,000	-	1
£190,001 – £200,000	1	1
	4	5

One member of the team resigned and was replaced during the year, the Senior Management Team still comprises 5 people. These 5 roles are accruing pension contributions totalling £34,665 (2021:5 employees, accruing £35,462).

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 £621,448 (2021: £629,548).

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 FY2021-22 or FY2020-21.

7 TANGIBLE FIXED ASSETS

	Office equipment £	Computers £	Leasehold Refurb £	Total £
Cost				
At 1 April 2021	60,034	50,270	133,343	243,647
Additions	-	5,343	-	5,343
Disposals	-	(1,723)	-	(1,723)
Balance at 31 March 2022	60,034	53,890	133,343	247,267
Depreciation				
At 1 April 2021	56,184	34,544	133,343	224,071
Charge for the year	962	10,117	-	11,079
Released on disposal	-	(1,660)	-	(1,660)
Balance at 31 March 2022	57,146	43,002	133,343	233,490
Net book value At 31 March 2022	2,888	10,889	-	13,777
At 31 March 2021	3,850	15,726	-	19,578

8 DEBTORS

	2022 £	2021 £
Trade debtors	520,774	389,690
Prepayments	55,340	50,764
Other debtors	166,452	114,913
	742,566	555,367

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	113,783	94,165
Other taxation and social security	152,118	141,841
Deferred income (Note 10)	1,221,616	1,196,338
Accruals	154,741	143,926
Other creditors	13,467	621
	1,655,795	1,576,891

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Deferred income at 1 April	1,196,338	927,393
Applied during the year	1,221,616	1,196,338
Released during the year	(1,196,338)	(927,393)
Deferred income at 31 March	1,221,616	1,196,338

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 MARCH 2022 CONTINUED

11 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at fair value	2,545,286	2,409,346
Financial liabilities measured at amortised cost	(113,783)	(94,165)

12 Operating lease commitments

At the balance sheet date, the charity's total future commitments under non-cancellable operating leases are as follows.

	Equipment		Land and buildings	
	2022 £	2021 £	2022 £	2021 £
Leases which expire:				
Within one year	9,668	4,747	28,405	135,295
Within two to five years	13,981	2,374	-	34,086
	23,649	7,121	28,405	169,381

13 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £	General funds £	Total funds 2022 £
Fixed assets	-	13,777	13,777
Current assets	178,184	2,588,727	2,766,911
Current liabilities	(174,367)	(1,481,127)	(1,655,795)
Net assets at 31 March 2021	3,817	1,121,076	1,124,893

	Restricted Funds £	General funds £	Total funds 2021 £
Fixed assets	-	19,577	19,577
Current assets	112,121	2,462,902	2,575,023
Current liabilities	(66,939)	(1,509,952)	(1,576,891)
Net assets at 31 March 2020	45,182	972,527	1,017,709

14 ANALYSIS OF FUNDS

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfer £	31 March 2022 £
Unrestricted funds					
- General funds	972,527	2,639,755	(2,469,905)	(21,301)	1,121,076
Restricted funds					
- World GBC European Policy	6,508	6,705	(13,213)	-	-
- ANZ	-	-	-	-	-
- Build Upon 2	38,674	111,980	(150,654)	-	-
- Circuit	-	-	-	-	-
- Climate KIC – Accelerator Cities	-	45,528	(45,528)	-	-
- Climate KIC – Foreground	-	7,226	(7,226)	-	-
- Construction Innovation Hub	-	1,500	(1,500)	-	-
- Ignition	-	53,042	(49,225)	-	3,817
- NBS Ellerman	-	33,000	(33,000)	-	-
- Whole Life Carbon Roadmap	-	191,713	(213,014)	21,301	-
Restricted Funds Total	45,182	450,694	(513,360)	21,301	3,817
Charity total	1,017,709	3,090,449	(2,983,265)	-	1,124,893

An annual deficit in the Whole Life Carbon Roadmap fund of £21,301 has been covered by a transfer from General Funds of the same value. The grant covers 90% of programme expenditure.

	Balance at 1 April 2020 £	Income £	Expenditure £	31 March 2021 £
Unrestricted funds				
- General funds	786,877	1,745,870	(1,560,220)	972,527
Restricted funds				
- World GBC European Policy	5,499	26,764	(25,755)	6,508
- ANZ	-	155,691	(155,691)	-
- Build Upon 2	47,053	35,718	(44,098)	38,674
- Circuit	-	30,970	(30,970)	-
- Climate KIC – Accelerator Cities	-	121,749	(121,749)	-
- Climate KIC – Foreground	-	68,447	(68,447)	-
- Construction Innovation Hub	-	33,000	(33,000)	-
- Ignition	-	23,717	(23,717)	-
- NBS Ellerman	-	32,000	(32,000)	-
- Whole Life Carbon Roadmap	-	33,023	(33,023)	-
Charity total	839,429	2,306,950	(2,128,670)	1,017,709

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 MARCH 2022 CONTINUED

14 ANALYSIS OF FUNDS CONTINUED

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 Councils around Europe, including UKGBC.

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.

Build Upon 2 (BU2)

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.

Climate KIC - Accelerator Cities

This related to funding secured from EIT Climate-KIC to deliver a programme that supports local and combined authorities deliver home retrofit.

Climate KIC - Foreground

This relates to funding secured from EIT Climate-KIC for the delivery of a programme of workshops and site tours with local authorities and businesses, to support the sustainability outcomes of three large scale development schemes.

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 - Zero Carbon Labs

This relates to funding secured from EIT Climate-KIC for the delivery of a programme of work to support local authorities deliver against their Climate Emergency goals.

CIRCUIT - Circular Economy

Circular Construction in Regenerative Cities – is a collaborative project involving 29 partners across the entire built environment chain in Copenhagen, Hamburg, Helsinki Region and Greater London. Funded by the European Commission's Horizon 2020 programme, the project will support the creation of regenerative cities by implementing sustainable and circular construction practices. UKGBC forms part of the Greater London cluster and has secured 4 years worth of funding. Through this project we can start to bridge

the gap between theory, practice and policy by delivering a series of demonstrations, case studies, events and other dissemination activities that showcase how circular construction approaches can be scaled and replicated across Europe to enable cities to build more sustainably and transition to a circular economy on a wider scale.

Construction Innovation Hub's Value Toolkit

UKGBC is the Natural Capital lead on the Construction Innovation Hub's Value Toolkit. We have convened an industry steering group to create a suite of tools to support value-based decision making across the investment lifecycle. The overarching aim of this collaboration is to contribute to the development of a robust, consensus-based methodology for the definition, evaluation and measurement of value across the entire investment lifecycle of new built assets.

EU's Urban Innovation Actions (UIA) Initiative - IGNITION

This relates to funding UKGBC secured from the UIA to join the IGNITION project alongside 11 other partners from local government, universities, NGOs and business. The aim is to develop the first model of its kind that enables major investment in large-scale environmental projects which can increase climate resilience. By 2038 this will enable an increase in Greater Manchester's urban green infrastructure coverage by 10% from a 2018 baseline.

Whole Life Carbon Roadmap

This relates to funding secured from Laudes Foundation and Ikea Foundation for a project as part of a consortium of Green Building Councils from across Europe. The UK project will deliver a whole life carbon roadmap for the built environment, in collaboration with industry and government.

General Funds - Designated Fund

In FY2018-19, the Trustees of UKGBC unanimously decided in favour of re-investing £40,000 from the surplus generated as designated funds to pilot a new member benefit that is intended to mitigate against attrition risks, and deepen the engagement of member companies. £35,608 was utilised during FY2019-20, with the remaining £4,392 carried forward to FY2020-21 being utilised in full during the year.

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 outstanding balances with related parties as at 31 March 2022 (2021: £nil). The total amount of donations received from trustees in the year was £nil (2021: £nil).



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