



Annual Review 2016-17

Shaping our world



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Our vision

To achieve our vision, we need to be trusted, influential and sustainable.

Our corporate goals to achieve our vision

- **Our standards adopted:** The standards to which the profession work are demanded and adopted in the major economies of the world.
- **Profession in demand:** As a result of market demand for RICS standards and credentials, highly talented individuals choose to qualify and work to our standards.
- **Trusted by our stakeholders:** We remain trusted to set and enforce standards for the profession.
- **Influential profession:** RICS brings about beneficial change in response to the major challenges the world faces.
- **Sustainable professional body:** The profession and RICS employees are highly engaged, proud and increasingly diverse. The organisation is efficient and financially stable.

This review covers RICS' business year August 2016 to July 2017. It provides an outline of our progress over the last year. More can be found at rics.org

Through our credential and our professional standards, we will create confidence in markets and be known for effecting positive change in the built and natural environments.

RICS Governing Council
April 2017



“Infrastructure is vital to the successful growth of sustainable cities. We must develop more commercially innovative approaches to delivering projects that are affordable and on time. To meet this challenge the shortage of skills and capacity must be addressed together with the rights of land owners, and others who are affected by projects.”

John Hughes FRICS
RICS President 2017-18



President’s introduction

The profession was born out of a period of breath taking and disruptive change, with the advent of mass production, steam-powered transport and the transatlantic telegraph. Our profession must define its response to the ever more rapid changes we are experiencing today.

Our profession could choose to live with the consequences, or we can act. We won’t make an impact on global challenges by acting alone, but with the right partners, we might.

Over the next 12 months you will hear me talking about cities, infrastructure and technology, the connections between them, and the opportunities they offer to our profession. I hope we can become as well respected for our mastery of technology and our global insight as we are for our values and heritage.

The terrible tragedy of the Grenfell Tower fire in London, June 2017, provided a stark reminder to us, as built environment professionals, of our role in ensuring standards of safety are at the heart of decisions. As technology, materials and building techniques evolve we must apply our experience and influence at every opportunity to serve the public interest.

My special thanks go to my predecessor Amanda Clack FRICS, who did so much to champion the profession.

“

I am honoured by the trust that has been placed in me to serve as ambassador for our remarkable profession. I am especially excited because we will be celebrating RICS’ 150th anniversary throughout 2018. By happy coincidence, I am the first RICS President from Canada in the same year that my country reaches its 150th anniversary of confederation.

”

John Hughes FRICS
President 2017-18



“ Maintaining our global brand and uniquely powerful proposition are paramount. We remain focused on maintaining society’s trust and confidence in our profession and its standards in an ever-changing world. ”

Chief Executive Officer’s review

This year our priority activities have included:

- Investing in global standards and ensuring these are enforced appropriately. The heart of our brand promise to society.
- Increasing emphasis on adoption of our standards and resultant demand for growth of the profession with a priority focus in China, India, North America and the UK.
- Inspiring the next, more diverse, generation into the profession.
- Embracing innovation in property technology and data.
- Realising the benefits from existing and new investments in training, education and our global market developments.
- Ensuring our organisational governance is fit for the future.
- Launching the second RICS School of Built Environment in Mumbai.
- Securing a long-term solution to our real estate needs for our operational centre currently based in Coventry.
- Responding to the UK Governments call for expertise in the aftermath of the Grenfell Tower fire in London.
- We are a profit for purpose organisation that seeks to maximise investment in our long-term vision. We feel confident in continuing to invest in our thought leadership, standards and their enforcement, training and education, and in our digital offering, and therefore plan for a period of controlled financial deficit to allow this to take place. Our financial performance has grown over previous years and commercial revenues have increased by 9% from the previous year. This has allowed us, for a fourth year running, to keep professional fee increases below inflation and reducing in real terms.
- External stakeholder satisfaction with RICS’ direction increased significantly over the last 12 months.
- We responded to market concerns by introducing a new professional statement on Conflicts of Interest and Confidentiality.

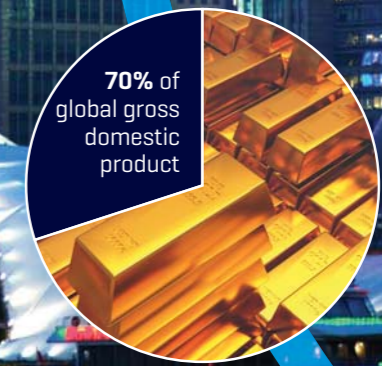
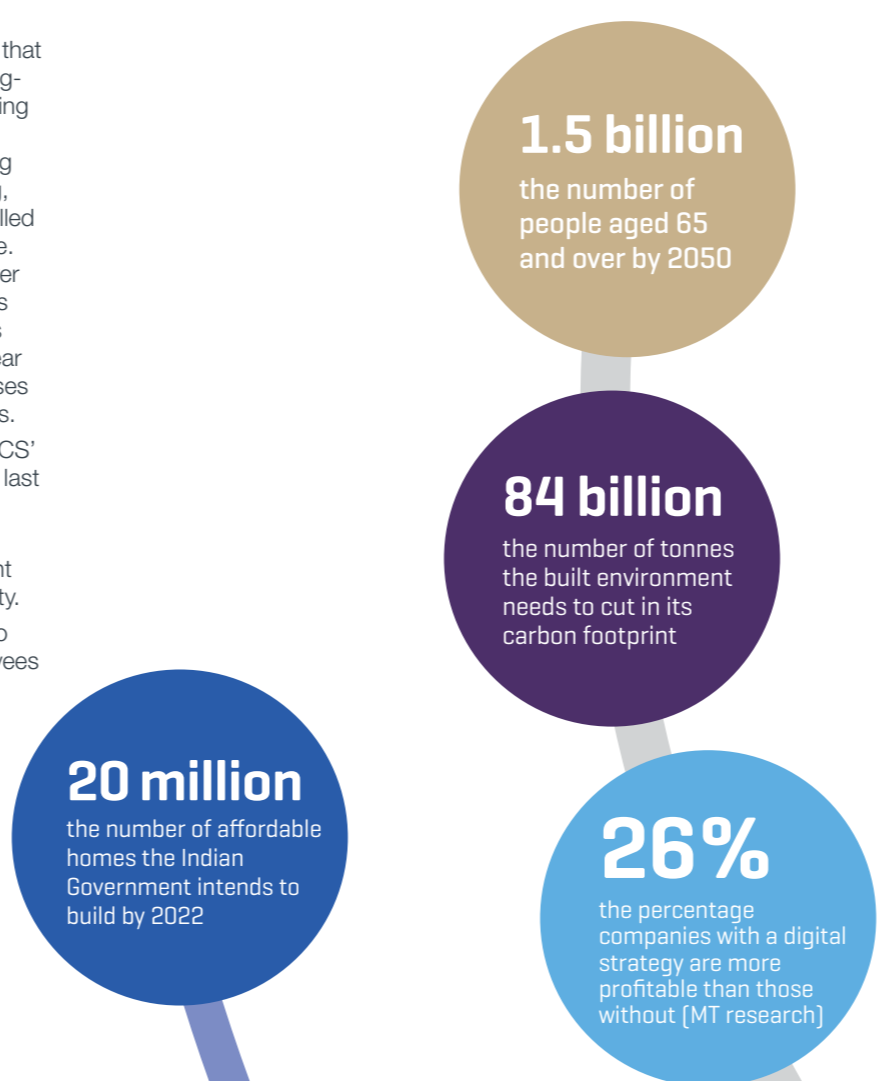
I would like to record my personal thanks to members of the profession and our employees around the world who play an active role in helping us to realise our vision.

Sean Tompkins
Chief Executive Officer

We have made strong progress on all fronts despite challenging market conditions, including Brexit uncertainty, political instability in Brazil and regulatory changes in India. In particular:

- In most markets, we either exceeded or achieved our top goal to gain greater market adoption of our standards and qualifications.

The opportunities and challenges



Highlights of our year



Great British Buildings: Restoration of the Year. Our first series on British prime time TV, Channel 4. Centered around award entrants showcasing restoration and building surveying.



Combined social media audience of over **187,462** individuals



We now have a **global Facility Management (FM) training platform.** We have launched the joint **FM career pathway** in all key markets. More than **5,000 professionals** attended the IFMA World Workplace conference in San Diego to mark the launch of our collaboration.



We provide professional assurance for **10,792** RICS regulated firms, **129,161** individual professionals and trainees, and **15,546** Registered Valuers, worldwide.



The World Built Environment Forum Summit Shanghai attracted **700 participants** and **53 speakers** from **73 cities** in **19 countries.** Our focus was on looking at solutions to our worlds greatest challenges.



Our six-monthly survey of the profession showed **89%** RICS professionals are 'proud to be a member of RICS' and **70%** 'agree with what RICS is trying to achieve'. Both figures were significantly higher [**91%+** and **81%+**] amongst the younger generations.



Growth in demand for our professional credentials



5,136

newly-qualified professionals



55%

of newly-qualified professionals are based outside the UK and Ireland, notably mainland Europe [15%], Greater China [20%] and South Asia [7%]



106,781

individual professionals qualified worldwide



7,480

trainees embarked on the journey to become professionally qualified - 1,650 of those from our School of Built Environment [Delhi and Mumbai campuses]



11,753

candidates [in 104 countries] are now using the online assessment resource centre to prepare for their professional assessments



22%

of trainee and newly qualified professionals this year were female

72% of the profession and **82%** of industry stakeholders agree that we're raising the status and recognition of professional standards

"The International Property Measurement Standards will future-proof the way government buildings are measured and will drive the best space efficiency decisions."

UK Government Property Unit

"Our aim is to achieve the highest standards of transparency and professionalism. Hence we recommend using the RICS Red Book."

Will Chen, Managing Director
China Development Bank
Capital Limited



A trusted profession

Upholding standards for an international market

We have played a central role in the development of international standards that bring greater confidence and consistency in real estate markets and major built environment projects throughout the world. Through collaboration with like-minded bodies we are setting global standards for our sector.

International Construction Measurement Standards [ICMS]

In July 2017 we launched ICMS in Vancouver, along with 45 other professional bodies. ICMS reduces project risk by giving clear and comparative figures on cost.

International Ethics Standards [IES]

IES was published after a three-month consultation generating 4,000 downloads and 400 responses.

International Property Measurement Standards [IPMS]

Our first international standards collaboration on property measurement has resulted in its first building in Glasgow, UK, built to IPMS.

This collaboration was recently awarded the British Expertise Award for International Collaboration.

Fair Value

We have developed the 'Fair Value' credential for business valuers alongside the American Institute of Certified Public Accountants and the American Society of Appraisers, following extensive criticism of the business valuation profession from the US Securities and Exchange Commission.

Conflict avoidance

RICS' Dispute Resolution Service is leading a coalition of professional bodies to raise awareness of the value of conflict avoidance and early intervention techniques. The ultimate goal is to help change the culture in infrastructure and construction projects away from combative and dispute-heavy business relationships, to a more collaborative partnership which brings projects to completion on time and on budget.

A new standard in managing conflicts of interest

RICS' professional statement on Conflicts of Interest and Confidentiality was published in March 2017. Amongst the early adopters were M&G Investments, with £26.3bn of assets under management globally.

Technology in standards

Advances in technology bring new opportunities to deliver professionalism to an ever-changing market. To realise these benefits RICS has developed machine readable versions of key standards. Standards like IPMS, originally drafted in English words and sentences, now have data standards that technology companies can adopt and embed in their software. As a result, a wider market benefits from the consistency and quality of RICS standards. Furthermore, data becomes portable which allows migration of data across compatible software, thanks to a standardised way of encapsulating this structured information.

Adopters of our profession's standards
 43 significant clients and employers have adopted the profession's standards, including major banks and governments

BLACKROCK
 Global investor, Blackrock, with \$21bn under management adopts MRICS in valuation policy

 **Government of Canada**
 Canadian Public Services and Procurement Ministry requires RICS qualification for all public valuers


 M&G Investment, with \$32bn under management, publicly adopted RICS Conflicts of Interest standards


 Indian financial regulator, SEBI, adds MRICS to approved qualified valuers



RioTinto
 Global Mining giant, Rio Tinto, adopts IPMS across 37 countries. Brookfield managing the portfolio


EUROPEAN CENTRAL BANK
 EUROSISTEM
 European Central Bank includes MRICS qualification in new rules for bank lending


Unilever
 Multinational consumer goods company, Unilever, with more than 400 brands worldwide, adopts IPMS across its office portfolio



“ Our self-regulatory model, through which we set, promote and enforce standards, must be able to meet the needs of a great variety of clients, professionals and members of the public. Scalability, consistency, and transparency are key to its success. ”

Assuring and enforcing the profession's standards

At the end of my second year as independent Chair of the Regulatory Board I can report on positive progress in our mission to provide confidence in regulation of the profession on a consistent basis worldwide. This is a major task and the board does not underestimate the size of the challenge. Our aim to foster trust amongst global investors, governments seeking to create investor confidence and employers of the profession, as well as the profession itself, without whose voluntary commitment to regulation by RICS we could not operate.

This year we have made further progress in implementing our valuer registration programme, introducing it in Australia, China, Latin America and Spain. This is an important component of our regulatory regime for the profession, providing active assurance through visits to firms and file inspections. I'm pleased that more and more firms are finding this is valuable to them.

The board contributed to the development of the new Professional Statement on Conflicts of Interest, ensuring that it can be effectively enforced. Early in 2018 we will undertake a monitoring exercise across regions and regulated firms to ensure this standard is understood and in use by the profession.

By working with the profession on such practical steps to embed best practice and international standards we aim to ensure the regulatory regime is proportionate, effective and valued by clients, government and the wider public.

Stephen Haddrill
Chair, RICS Regulatory Board



Professional assurance in practice

We monitor 10,792 RICS regulated firms, 129,161 individual professionals and trainees, and 15,546 Registered Valuers, worldwide.

In our monitoring activity, we focus on those issues that pose the greatest risk to a safe marketplace:

- Safeguarding the security of client money.
- Guarding against money laundering.
- Working to a globally consistent valuation standard.
- Managing conflicts of interest.

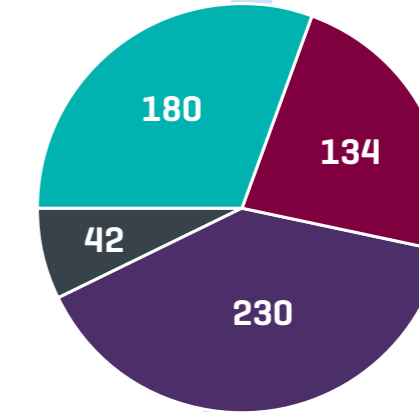
Our tools are: the annual return process for regulated firms and valuers, our complaints function, and market intelligence.

As part of this regime we can:

- Ask firms and professionals to submit more information for analysis.
- Carry out a remote (desktop) inspection of files.
- Conduct a regulatory review visit to a firm to review their documents, systems and processes.

The firms and individuals which fall short of outstanding receive tailored guidance and advice on how to make improvements to their business and work to the profession's standards.

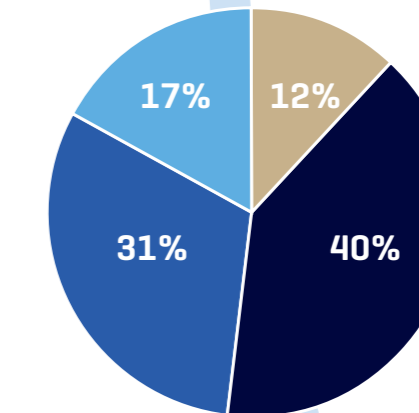
Our general findings are also shared through workshops available to members of the profession.



Regulatory visits 2016-17

- Clients money risk-based
- Valuation risk-based
- General insurance management risk-based
- Other*

* Comprises of control and thematic visits designed to ensure our risk assessment process is keeping up with changes in the profession.



Regulatory visits ratings 2016-17

- Outstanding
- Good
- Improvements required
- Unsatisfactory

Enforcing our standards

In 2016-17 we received **1,178** complaints from members of the public and business clients about the profession. In **383** cases this led to further investigation.

In 2016-17 a total of **1,408** sanctions were issued.

1,359 sanctions were issued by the executive under delegated authority:



Following **46** disciplinary panel hearings, the profession's Conduct and Appeals Committee issued **49** sanctions:



Disciplinary panels are three-person panels selected from the Conduct and Appeals Committee, which is made up of eight RICS professionals, eight independent members and an independent Chair. In some cases the panel issues multiple sanctions.

In 2016-17, in **100%** of cases brought before a panel, the panel members considered the allegations proven.

A consent order is a formal written agreement between RICS and an individual or a firm concerning a disciplinary issue. Overviews of consent orders are published on rics.org/consentorders

Disciplinary panel outcomes are published in Modus, on rics.org/conductcases and through RICS News

764
CPD cautions

173
Fixed penalties

341
Combined CPD cautions and fines

81
Consent orders

18
Expulsions



Our disciplinary tribunal - a new chairman

Sir Michael Burton, a Judge of the High Court of England and Wales from 1998-2016, and the President of the Investigatory Powers Tribunal, has been appointed Chair of RICS Conduct and Appeal Committee.

“ It is crucial that RICS has the means to take disciplinary action in a consistent and robust manner across the world. I am delighted to bring my legal and judicial experience to bear as Chair of the Conduct and Appeal Committee. I am keen to establish its position as an effective, fair and independent judicial body. ”

Sir Michael Burton
Chair of RICS Conduct and Appeal Committee



77%
of external stakeholders agree that RICS shows leading-edge thinking on issues of global significance [11% increase]



RICS Real Estate Investment Risk Forum (IRF) meeting in New York. We continued to strengthen our profile in risk management with further forum meetings of industry leaders in Asia, Europe and North America.



“
Multilateral co-operation is key to building sustainable infrastructure and successful cities in times of global uncertainty.

Dr. Zhu Min, Former IMF Deputy Managing Director

”

New Chief Executive of Hong Kong, Carrie Lam



Growing our profile and influence

Convening global thought leaders to effect real change in the public interest

Our authority as a leading global professional body allows us to convene stakeholders from across the built environment and related sectors. As the pace of urbanisation increase, our focus is on equipping our profession for safe, sustainable and vibrant markets and cities which will serve the need of future generations against a backdrop of rising populations, scarcity of natural resources and changing living patterns.

World Built Environment Forum Summit Shanghai

Our flagship World Built Environment Forum Summit Shanghai attracted 700 international participants and 53 speakers from 73 cities in 19 countries. The summit discussions centred on China's One Belt One Road (OBOR) initiative, widely seen as a revival of the old Silk Road trade links. OBOR has the potential to greatly enhance the prospects of cities all along its route from China to the UK, and will require infrastructure investment in excess of \$1 trillion per year.

Among the ideas discussed was the need for a new type of professional known as Chief Resilience Officer, with a mandate to ensure that cities take a coherent, holistic and responsible approach to growth. We are determined to harness these opportunities through adoption of RICS standards and growing demand for the services of RICS-qualified professionals.

Regional thought leadership

We also welcomed over 450 experts and decision makers to our annual Africa, Americas and UK Summits in Johannesburg, Chicago and London respectively. Topics included land use and infrastructure development and trends driving growth. Delegates discussed how Blockchain technology might drive the move to digital currency and its impact on the property sector, and how wellbeing is driving a transformation in workplace and living space requirements.

We welcomed Carrie Lam, new Chief Executive of Hong Kong, to our London headquarters to discuss the impact of the profession in Hong Kong.

International Facility Management Association (IFMA)

RICS joined IFMA at their World Workplace conference in San Diego in October, attended by more than 5,000 professionals. This was the first in a series of global co-produced events as part of our strategic collaboration to enhance the profile of FM professionals.



65,874

receive RICS News globally



82,002

followers on Twitter



78,006

people in the global LinkedIn group and 63,683 followers



23,301

fans on Facebook



4,153

followers on Instagram



3,271

subscribers on YouTube



Live streaming on Facebook

We have reached a wider audience by live streaming a selection of our conferences on Facebook this year. In April, a live video from our Building Surveying Conference was viewed more than **1,000** times with **56** likes and **7** comments. At one time, we had more than **500** live viewers.

Interacting with the profession

In May a global survey request to RICS professionals on LinkedIn, urging them to give their views on RICS' future infrastructure strategy, generated **70** interactions and reached **25,000** users.

Our summary of RICS professionals' views on the UK government's housing white paper was retweeted **19** times. This content reached an audience of more than **100,000** users.

Showcasing the skills of our professionals

One of our most popular posts on Instagram was centred around Great British Buildings, where we showcased images of buildings that were part of the UK TV programme.

In June, a LinkedIn post congratulating RICS professionals and APC candidates shortlisted in the WeAreTheCity Rising Star awards generated **137** interactions and reached **30,000** users.

A growing social media engagement

With a combined social audience of over 187,462 individuals, our key social media channels; Facebook, Instagram, LinkedIn and Twitter, are a major route to engagement with our professionals and wider audience, facilitating global networks, providing access to live streaming of our events, and linking to our thought leadership content.



Promoting the profession

'The work that shapes our world' video performed well on our social channels, reaching a wide audience.

- Twitter: exposed to our audience **17,000** times with **77** links and **105** retweets.
- LinkedIn: over **200** interactions.
- Facebook: viewed **3,748** times and shared **61** times with **99** reactions.
- YouTube: viewed **8,966** times and liked **35** times.

A diverse, inclusive and empowered profession for the future

Our 150th anniversary in 2018 is a unique opportunity to raise the profession's profile by demonstrating the value chartered surveyors bring to society. It is also a moment to learn from our past successes and to look forward to the attributes the profession and RICS itself will need in the coming decades.

Key themes we regularly hear are inspiring the next generation and creating a more diverse and inclusive profession; helping the profession adapt to a world of PropTech and Big Data; and enhancing our status as a thought leader on the big issues facing the world: rapid urbanisation, resource scarcity, housing and infrastructure provision and financing. We will invest in all of these areas, to ensure that we remain trusted, influential and valued by the profession and wider world.

Building a diverse and inclusive profession

Our industry is missing out on available talent. Our recorded figures show 14% female, 1.2% black, Asian, and minority ethnic (BAME) and 0.6% disability group representation amongst the profession. Our vision is that surveying will become recognised as a career of choice with a greater awareness amongst a diverse range of students and influencers.

CEO pledge on diverse panels

This year, our Chief Executive Officer Sean Tompkins pledged to question invitations to speak on conference panels that lacked diversity, to highlight the need for a more diverse voice and face of the profession. His pledge reached an audience of 10 million, through print and radio interviews.



Making RICS a fair place to work

Our continued success as an organisation depends on recruiting and retaining a talented team. We therefore aim to nurture an inclusive environment where individuals feel able to be themselves. We believe this is what allows people to perform as well as they can and continually enhance the performance of our organisation. We commit to upholding and to ensuring the equal treatment of everyone [including all forms of difference such as disability, gender and gender identity, age, race, ethnicity and national origin and family status]. We will embed fairness into our development, reward and recognition. We will strive to do as well as we can, remaining open to opportunities to constantly learn and embrace new ideas that ensure we remain one of the best organisations to work for.

DIVERSITY AWARDS WINNER
Diversity star performer 250-1000 employees

WOMEN OF THE FUTURE AWARDS
Corporate Award Highly commended

EDA european diversity awards
Shortlisted Diversity Team of the Year

fairplace award
awardholder 2016-19
Awarded for London, Coventry and Edinburgh offices

A diverse, inclusive and empowered profession for the future



10 million

audience reached by media engagement on diversity



360

new assessors trained in unconscious bias and diversity



1,500

RICS professionals reached through diversity-related events



150

signatories to the Inclusive Employer Quality Mark, UK, representing more than 150,000 employees



We launched our second School of Built Environment (SBE) in Mumbai in November 2016. The first intake of 160 students arrived in July 2017. Our first SBE in Delhi now has 1,400 students.

Relevant in the digital age

Technology is an increasingly essential part of a professional's work and therefore an essential consideration for the adoption of standards. We will:

- Review our qualification pathways to include new technology competencies such as 'Big Data', 'Open Data', 'Smart Cities' and 'Intelligent Buildings'.
- Continue to focus on technology in our thought leadership activity, for example the role of data within global sustainability measurement and artificial intelligence in the built environment.
- Gain further support for our Tech Affiliate Program as a community of technology companies committed to using RICS standards.
- Identify areas across the built environment where data standards are required and define RICS strategy to address these challenges.
- Identify how to reduce barriers to adoption of our standards for technology companies and software solutions.
- Ensure that our profession is enabled and equipped as the technology and data revolution takes hold.

44% of the world's jobs in real estate and construction will be replaced by technology according to a recent McKinsey study

Inspiring the next generation

Under our UK Inspire 2020 programme we will:

- Engage schoolchildren through 1,650 ambassadors of the profession.
- Increase the number of schools delivering 'Design Engineer and Construct' as a course.
- Work towards a property qualification for 16 year olds.
- Improve the numbers of new professionals from under-represented groups.

"Technology is something that has been impacting the property market for many years, but in recent times the rate of change has meant it has rapidly risen up the agenda for many companies. 2016 was the year where PropTech had raised its profile and in the coming years, as there is more activity and the pace of change increases, we will see it having an increasing influence."

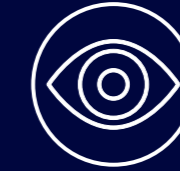
Dan Hughes
RICS Director of Data Products

We have adopted innovative approaches to inspire the next generations into the profession by working with popular high profile vloggers Eve Bennett and AliA, showcasing the profession to their online audiences.

Vlogger, Eve Bennett



Gaming vlogger, AliA



97,000

number of time vlogs have been viewed



4,000

number of likes and positive comments from subscribers



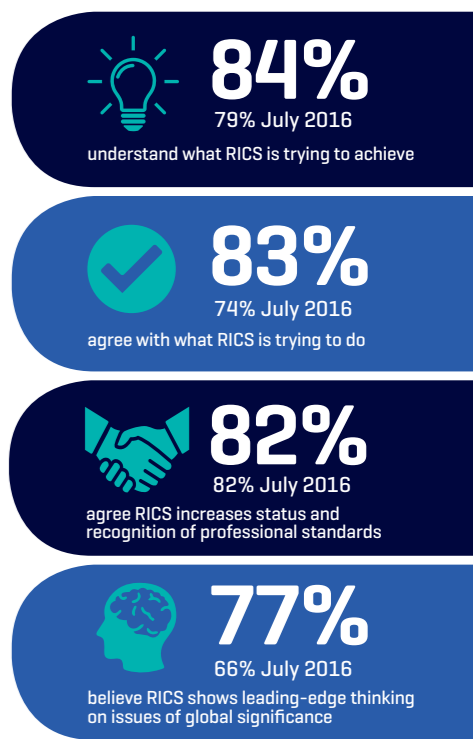
97%

increase in the number of 18-24 year olds visiting the RICS careers page



Our performance in numbers

We regularly survey both the profession and key external stakeholders to continually assess relevance across a number of areas. External stakeholder sentiment increased over the previous year and there were marked generational differences in the views of the profession itself. We are carrying out further analysis to gain deeper insight into these differences.



Profession statistics based on weighted responses from 6,090 RICS professionals in May/June/July 2017 online survey, percentages shown are averages.

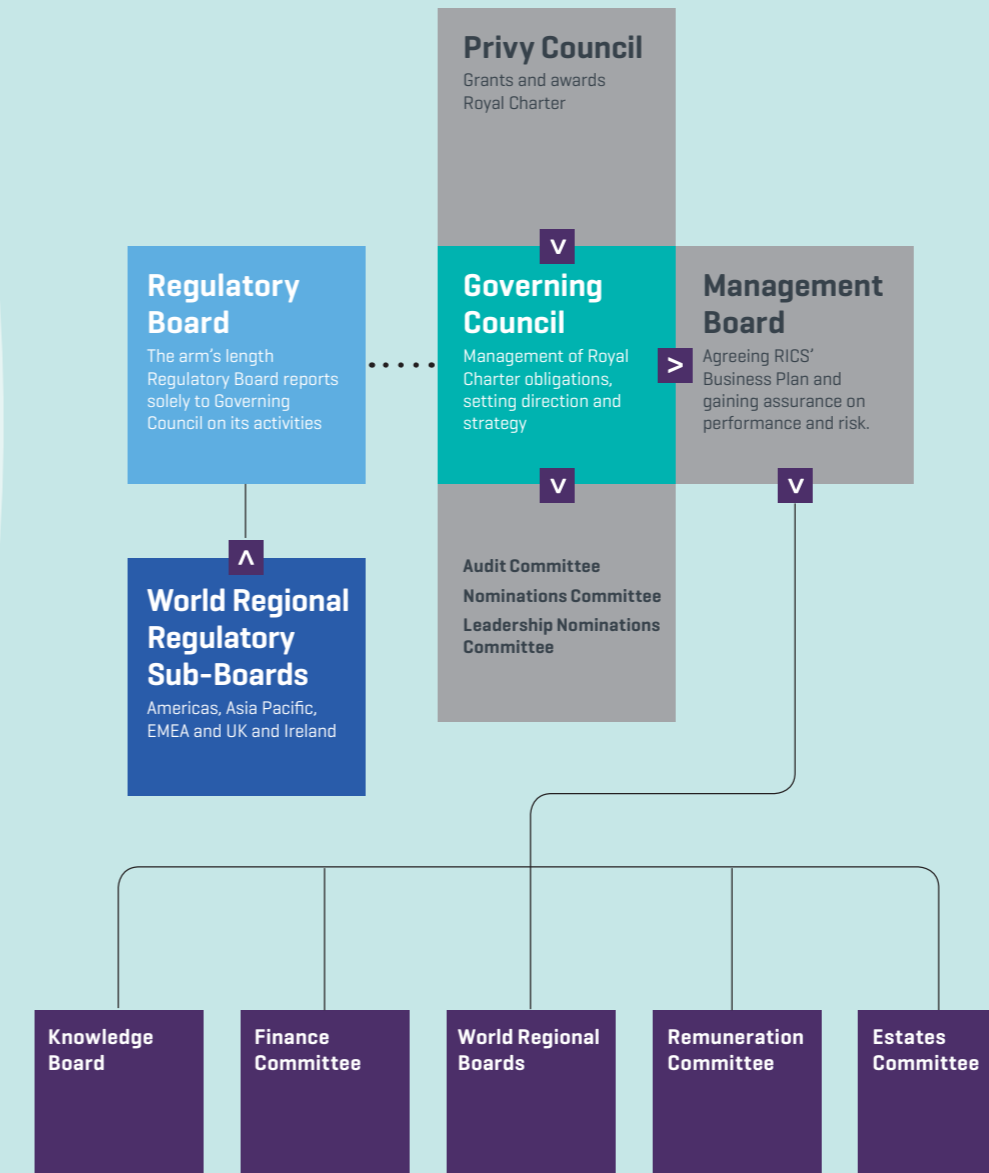
Based on interviews with 376 global senior stakeholders from commercial, government, academic and media sectors in June/July 2017

RICS' strategic direction is set by Governing Council which draws on professionals from across the world

Corporate governance

RICS' governance structure

Governing Council, chaired by RICS' President, is supported by a number of groups, committees and boards, populated by around 1,000 active RICS professionals, employees and lay members. These boards include the Management Board, an arm's length Regulatory Board, world regional and national boards and advisory panels, specialist professional group boards and policy panels.



RICS - the people behind the organisation

As at 31 July 2017

RICS Officers

President	Amanda Clack FRICS
President Elect	John Hughes FRICS
Senior Vice President	Chris Brooke FRICS
Secretary	Bill Gater FRICS

Management Board

Chair	Paul Marcuse FRICS
RICS Non-Executive Board members	Natalie Cohen MRICS Kathleen Fontana FRICS Kwok Wah (Edgar) Li MRICS Bruce McAra FRICS Steve Williams FRICS
Independent Non-Executive Board members	Amarjit Atkar Simon Hardwick
RICS Executive Board members	Violetta Parylo Sean Tompkins

Executive Team

Chief Executive Officer	Sean Tompkins
Director of Regulatory and Corporate Affairs	Gillian Charlesworth
Director of Professional Standards	Kenneth Creighton
Director of People and Corporate Responsibility	Alistair Milne
Regional Managing Director, Asia Pacific	Will Myles
Executive Director of Corporate Services and Chief Financial Officer	Violetta Parylo
Executive Director of Product Development	Mark Powell
Regional Managing Director, Americas	Neil Shah
Regional Managing Director, EMEA	Mark Walley

Governing Council members

Sanjay Amin FRICS	Julian Josephs FRICS
Richard Asher FRICS	Phillippe Jouan MRICS
James Baker MRICS	Lynda Jubb FRICS
Tom Barclay FRICS	Gerhard Kemper FRICS
Dayle Bayliss FRICS	Amy Leader MRICS
Rebecca Best FRICS	Chua Siow Leng FRICS
Chris Brooke FRICS	Jonathan Lever FRICS
Alan Child FRICS	Sophie Llewellyn FRICS
Amanda Clack FRICS	Owain Llywelyn FRICS
Bruno Cohen FRICS	Paul Marcuse FRICS
Natalie Cohen MRICS	Graham Matthews FRICS
Thomas Dempsey MRICS	Colin McCarthy FRICS
Diane Dumashie FRICS	David McCulloch FRICS
Sanjay Dutt FRICS	Ian McRae FRICS
Kevin Ellis FRICS	Leigh Miller FRICS
Richard Garland FRICS	Richard Moxon FRICS
Bill Gater FRICS	Isobel O'Regan MRICS
Nicola George MRICS	David Sandbrook FRICS
Fiona Grant FRICS	Sarah Sayce FRICS
Ann Gray FRICS	Martin Seward-Case FRICS
Christopher Green FRICS	Peter Smith FRICS
Ramachandra Haranal FRICS	Justin Sullivan FRICS
Colin Harrop FRICS	Ramsey Tadros FRICS
Michael Henning FRICS	Marna van der Walt FRICS
Daniel Ho Chi Wing FRICS	Matthew Wallace FRICS
Tyrone Hodge MRICS	Sean Wang FRICS
John Hughes FRICS	Colin Wilson MRICS
Mark Humphries FRICS	

Regulatory Board

The Regulatory Board and the regional sub-boards are responsible for defining regulatory strategy and policies which meet public expectations. The board and its sub-boards are independently-chaired with independent members and RICS professionals from around the world. This approach combines robust global oversight with professional expertise.

Regulatory Board

Stephen Haddrill, Chair	Financial regulator	UK
Paul Beland	Shareholder services	USA
Srividya Gopalakrishnan MRICS	Duff & Phelps Singapore Pte Ltd, Managing Director	Singapore
Michael Newey FRICS	Broadland Housing Group, UK Group Chief Executive	UK
Richard Owen FRICS	Deloitte LLP, Partner, Real Estate	UK
Thijs Stoffer	Real estate bodies	Switzerland
Antony Townsend	Regulator	UK
Natalie Breen	Lawyer, real estate sector	Singapore

Americas Regulatory Sub-Board

Paul Beland, Chair	Shareholder services	USA
Geoff Ritcey MRICS	Sun Life Financial, AVP Credit Risk	Canada
Maral N. Kazanjian	Lawyer, credit rating company	Canada

Asia Pacific Regulatory Sub-Board

Natalie Breen, Chair	Lawyer, real estate sector	Singapore
Andrew Kam MRICS	Savills China, Director of Valuation, Director of Risk Management and Valuation	China
Andrew Collins MRICS	Colliers International, Standards	Sydney
Jerome Chung	Global investor	Hong Kong

EMEA Regulatory Sub-Board

Thijs Stoffer, Chair	Real estate bodies	Switzerland
Gabriel Matar FRICS	Sentinel Hospitality, Managing Partner	France
Cyril Troyanov	Lawyer, insurance	Switzerland
Nick Powlesland FRICS	Knight Frank, Partner, Head of European Valuations	UK
Nicole Arnold	Investor, real estate	Germany

UK and Ireland Regulatory Sub-Board

Antony Townsend, Chair	Regulator	UK
Sheila Graham FRICS	King & Graham Chartered Surveyors, Owner, Retired	UK
Nick Gray FRICS	Faithful and Gould, Managing Director - North and Ireland	UK
Lisa Kerr	Educator	UK
Shane McCarthy	Private practice lawyer	Republic of Ireland
Helen Murray FRICS, FSDCSI	Dublin Institute of Technology, Senior Lecturer	Republic of Ireland
Clive Tucker	Technology business	UK



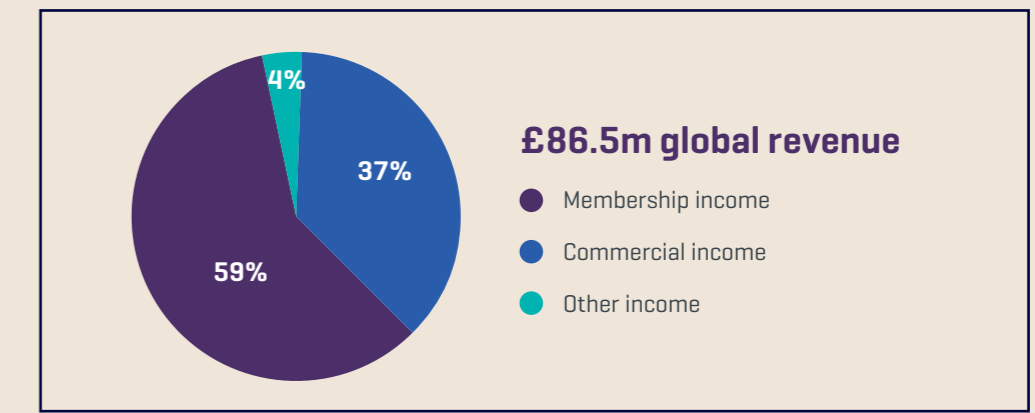
We closed the year with an **operating deficit of £(1.4)m** and revenue of £86.5m providing the ability to continue to reinvest in our vision

Finance review

Group revenue analysis

For the year ended 31 July 2017

	£000	%
2016-17 Revenue	86,466	
Membership income	50,946	59
Commercial income	31,593	37
Other income	3,927	4
2016-17 Membership income	50,946	
Subscriptions income	46,537	91
Assessment income	1,960	4
Other joining related fees	2,449	5
2016-17 Commercial income	31,593	
Conferences income	7,546	24
Training income	8,626	27
Other commercial income	15,421	49



Consolidated statement of profit and loss account

For the year ended 31 July 2017

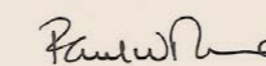
	2017	2016
	£m	£m
Revenue	86.5	79.7
Cost of sales	(29.5)	(23.6)
Gross profit	57.0	56.1
Key activities and services		
Regional and local service provision	(19.6)	(18.0)
Creating and enforcing professional standards	(12.0)	(10.8)
Gaining influence and building brand profile	(11.6)	(10.4)
Technology development and operations	(5.3)	(4.7)
Legal and governance	(2.8)	(2.8)
Depreciation and amortisation	(2.5)	(2.1)
Finance operations and ongoing compliance	(2.5)	(2.3)
Property operations and lifecycle maintenance	(2.3)	(2.1)
Central activities	(1.4)	(1.4)
Total expenditure on key activities and services	(60.0)	(54.6)
Other (costs)/income		
Charitable trusts and donations	(0.1)	(0.2)
Surplus/(deficit) on foreign exchange	0.6	0.5
Profit on sale of investments	1.1	-
Total other (costs)/income	1.6	0.3
Result before interest and taxation	(1.4)	1.8
Finance income	0.3	0.3
Result before taxation	(1.1)	2.1
Taxation	(0.5)	0.5
Net result after taxation attributable to RICS for the financial year	(1.6)	2.6

Consolidated statement of financial position

At 31 July 2017

	2017	2016
	£m	£m
Non-current assets		
Property, plant and equipment	40.6	38.0
Intangible assets	0.4	1.8
Deferred tax asset	1.1	1.4
Pension asset	0.2	-
	42.3	41.2
Current assets		
Financial assets: Available for sale investments	18.8	20.2
Inventories	0.1	0.1
Trade and other receivables	10.2	9.0
Cash and cash equivalents	15.2	12.9
	44.3	42.2
Total assets	86.6	83.4
Current liabilities		
Trade and other payables	(38.1)	(34.9)
Current tax liabilities	(0.2)	(0.3)
	(38.3)	(35.2)
Non-current liabilities		
Pension liability	-	(0.2)
Provisions	(0.5)	(0.9)
Deferred tax liability	(5.7)	(5.0)
	(6.2)	(6.1)
Total liabilities	(44.5)	(41.3)
Total net assets	42.1	42.1
Reserves		
Revaluation reserve	27.5	25.7
Investment revaluation reserve	2.7	2.2
Revenue reserve	2.8	4.9
Other reserves	9.1	9.3
	42.1	42.1

There is no share capital since the constitution of RICS is that of a body corporate under Royal Charter. The accounts were approved by Management Board and signed on its behalf on 31 January 2018 by:



Paul Marcuse
Chairman, Management Board



Sean Tompkins
Chief Executive Officer

Consolidated statement of changes in equity

For the year ended 31 July 2017

	Revaluation reserve	Premises reserve	Clients' money reserve	Revenue reserve	Translation reserve	Investment revaluation reserve	Restricted reserve	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Reserves at 1 August 2016	25.7	6.0	1.6	4.9	0.1	2.2	1.6	42.1
Net result after taxation	-	-	-	(1.6)	-	-	-	(1.6)
Increase in valuation of land and buildings	2.4	-	-	-	-	-	-	2.4
Actuarial losses recognised in year on defined benefit pension scheme	-	-	-	(0.6)	-	-	-	(0.6)
Net change in market value of long term investments over cost	-	-	-	-	-	0.6	-	0.6
Differences arising from foreign exchange translation	-	-	-	-	(0.2)	-	-	(0.2)
Deferred tax on above	(0.6)	-	-	0.1	-	(0.1)	-	(0.6)
Total comprehensive income in the year	1.8	-	-	(2.1)	(0.2)	0.5	-	-
Reserves at 31 July 2017	27.5	6.0	1.6	2.8	(0.1)	2.7	1.6	42.1

Consolidated cash flow statement

For the year ended 31 July 2017

	2017	2016
	£m	£m
Cash flows from operating activities		
Result before taxation	(1.1)	2.1
Adjustments for: Depreciation and amortisation	2.5	2.1
Cash flows from operating activities before movements in working capital	1.4	4.2
Movements in working capital		
(Increase) in trade and other receivables	(1.2)	(2.5)
Increase in trade and other payables	3.2	0.8
Decrease in inventories	-	0.1
Unrealised [deficit]/surplus on foreign exchange	(0.2)	0.6
	1.8	(1.0)
Cash generated from operating activities after movements in working capital	3.2	3.2
Cash flows on provisions		
Provisions	(0.4)	-
Tax paid	(0.8)	(0.7)
Cash outflow on pension funding	(1.0)	(1.0)
	(2.2)	(1.7)
Net cash generated from operating activities	1.0	1.5
Cash flows from investing activities		
Purchase of property, plant and equipment	(0.9)	(0.8)
Purchase of intangible assets	(0.3)	(0.3)
Purchase of available for sale investments	(1.0)	(2.0)
Proceeds from disposal of available for sale investments	3.5	1.4
Investment income received	-	0.3
Net cash inflow/(outflow) from investing activities	1.3	(1.4)
Net increase in cash and cash equivalents in the year	2.3	0.1
Net cash and cash equivalents at 1 August	12.9	12.8
Net cash and cash equivalents at 31 July	15.2	12.9

Independent auditor's statement

To the Governing Council of the Royal Institution of Chartered Surveyors

Opinion on summary financial information

On the basis of the work performed, described subsequently, in our opinion the summary financial information included in the Annual Review has been accurately extracted from the full annual financial statements of the Royal Institution of Chartered Surveyors ('the Institution') for the year ended 31 July 2017.

Basis of opinion

Our examination of the summary financial information consists primarily of agreeing the amounts and captions included in the summary financial information to the corresponding items within the full annual financial statements of the Institution for the year ended 31 July 2017.

We also read the other information contained in the Annual Review and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial information.

This engagement is separate from the audit of the annual financial statements of the Institution and the report here relates only to the extraction of the summary financial information from the annual financial statements and does not extend to the annual financial statements taken as a whole.

Statement of Governing Council responsibilities in relation to the summary financial information

The summary financial information comprises the consolidated statement of profit and loss account, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement of the Institution.

The summary financial information presented within the Annual Review does not constitute the full financial statements of the Institution for the financial years ended 31 July 2017 and 31 July 2016 but represents extracts from them. These extracts do not provide as full an understanding of the financial performance and position, or financial and investing activities, of the Institution as the full annual financial statements of the Institution.

The financial statements for those years are prepared under the going concern basis of accounting and have been reported on by the Institution's independent auditor. The reports of the auditor were:

- (i) unqualified; and
- (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report.

The Governing Council of the Institution has accepted responsibility for preparing the Annual Review and for preparing the summary financial information included therein by extracting the consolidated statement of profit and loss account, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement directly from the Institution's full annual financial statements.

Independent statement of KPMG LLP to The Royal Institution of Chartered Surveyors

We have examined the summary financial information of The Royal Institution of Chartered Surveyors ('the Institution') for the year ended 31 July 2017 set out on pages 33 to 37 of the Annual Review.

This statement is made solely to the Institution on terms that have been agreed with the Institution. Our work has been undertaken so that we might state to the Institution those matters we have agreed to state to it in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institution for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Governing Council and KPMG LLP

As explained more fully in the Statement of Governing Council's Responsibilities above, the Governing Council has accepted responsibility for extracting the summary financial information

within the Annual Review from the full annual financial statements of the Institution.

Our responsibility is to report to the Institution our opinion on the accurate extraction of the summary financial information within the Annual Review from the full annual financial statements of the Institution.

As set out in our report on those financial statements, that report is made solely to the Institution's professionals, solely in connection with the Royal Charter's requirements to prepare audited financial statements. Our report was designed to meet the agreed requirements of the Institution and its professionals determined by their needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Institution or its professionals for any purpose or in any context. Any party other than the Institution or its professionals who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Michael From

(Senior Statutory Auditor) for and on behalf of KPMG LLP Chartered Accountants

One Snowhill, Snow Hill Queensway, Birmingham B4 6GH
1 February 2018





Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

Americas

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Asia Pacific

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Greater China [Shanghai]

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United Kingdom RICS HQ

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