



Annual Review 2017-18

Shaping the world
we live in

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Our vision

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 2018

To achieve our vision, we are pursuing the following corporate goals:

Influential thought leader

Through collaboration with others, we bring about beneficial change in response to the major challenges the world faces.

Trusted by our stakeholders and society

We are trusted globally to set and enforce consistent standards for the profession.

RICS professional qualifications remain in demand

As a result of market respect and demand for our profession's standards and qualifications, highly talented individuals choose to qualify, commit to lifelong professionalism and work to our standards. We inspire more diverse entrants into a

purpose-rich profession that plays a major role in shaping the world we live in. Our professional qualifications continue to remain relevant in a world disrupted by new technology and advances in big data.

Sustainable 21st century professional body

We continue to generate the financial ability to invest in our vision; the profession and our employees are highly engaged in both our direction and purpose; those who engage with us and consume our products and services are satisfied that these add real value.

This review covers RICS' business year August 2017 to July 2018. It provides an outline of our progress over the last year. More can be found at rics.org



President's introduction

“Now, we are preparing for the future”



Christopher Brooke

Christopher Brooke FRICS
RICS President 2018-19

This profession has been trusted to turn the world into data for 150 years.

In this time, we have mapped, measured and valued our planet's lands, coasts and property.

From this data, we have constructed the tallest towers, improved social housing for the poor and lifted the value of real estate around the world.

Through the evolution of professional standards, our services have diversified, and our communities have prospered, leaving much to be celebrated.

Now, we are preparing for the future.

Based on your views, RICS has begun to understand how the changes documented in the RICS 2015 Futures report are revolutionising the markets we serve.

You told us many things.

Over the last year, RICS has convened well over a thousand conversations through round tables, seminars and consultations. This exercise has allowed us to paint an initial picture of how our profession is changing.

The tools we survey the world with are digitalising. Customers increasingly value property as a service more than their structures. Digital data is now king; the built and natural environment sectors in which we practice our craft have tipped into industrial revolution.

A prepared professional is a successful professional. Over the next 12 months, RICS will be working to produce a 2020 Futures report, which will set RICS' direction and strategy for future proofing the profession for the next ten years.

I welcome all feedback on the findings outlined in the initial Future of the Profession response paper. I will be using it as the basis for discussions as I begin my presidential duties.

My special thanks go to my predecessor John Hughes FRICS, who did so much to champion the profession in RICS' 150th year.

Chief Executive Officer's review

“Embracing innovation in property technology and data”



A handwritten signature in black ink that reads "Sean Tompkins". The signature is written in a cursive, slightly stylized font.

Sean Tompkins
Chief Executive Officer

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.
- Establishing our strategic partnership with International Facilities Management Association (IFMA). In July, we launched the *Procurement in facilities management* professional statement, in conjunction with IFMA's UK Chapter, for the UK market. The statement sets mandatory requirements to develop consistent, ethical and transparent ways to procure FM services.
- Remaining relevant by initiating a project considering the future of the profession, a Governing Council-led initiative, which will help us understand how our professionals are adapting to new technologies and changes in the market.
- Harnessing the 150th anniversary celebrations to inspire 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.
- Securing a long-term solution to our real estate needs by relocating our operational base in Coventry to the centre of Birmingham.

- Continuing to respond to the UK government's call for expertise in the aftermath of the Grenfell Tower fire in London.

We have made strong progress on all fronts despite challenging market conditions, including Brexit uncertainty 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. 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.
- Since introducing a professional statement on Conflicts of interest in 2017, RICS has published Countering bribery and corruption, money laundering and terrorist financing. This professional statement applies to all RICS disciplines and is global in scope.

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.



Our 150th year

Celebrating an historic milestone and inspiring the next generation

During our anniversary year we highlighted the past achievements of our profession and the contribution these have made to society – aiming to build a deeper understanding of the breadth and variety of its work worldwide and promote pride across our global professional membership.

But this was not just a big birthday party. We took this opportunity to inspire the next generation, driving innovative thinking to develop solutions to modern world problems and by giving something back to our communities.

89%
of RICS professionals
are proud of their
RICS status

Exhibition

We transformed the library space in our London headquarters in Parliament Square into an interactive 150th anniversary exhibition. During the year many events and celebrations have been hosted there, including all our new member receptions and careers events. Over 3,000 visitors have enjoyed the experience, learning about the history and the future of the profession. To support this across our global locations and at key external events, we created a touring version of the exhibition to ensure we reached as wide an audience as possible, including our World Built Environment Forum Summit and the annual RICS Awards in China.

Films/collateral

Additionally, we commissioned several films to mark the anniversary and illustrate the depth and breadth of the profession. The *RICS at 150* film charts its history while the *Global Trends and Challenges* film looks to the future and how the profession will need to adapt to the changing world around us.

Royal visits

We were delighted to host two Royal visits. We were honoured to welcome HRH The Duke of Cambridge in November 2017 to launch our Pledge 150 campaign, which aims to end youth homelessness in the UK. In November 2018 we welcomed our Royal Patron, Her Majesty Queen Elizabeth II to Parliament Square, where she toured our exhibition and spoke to many RICS members and employees. It was a wonderful occasion and a fitting highlight of our 150th anniversary year.



Her Majesty Queen Elizabeth II visited Parliament Square and toured the 150th exhibition



Cavendish Bridge in Singapore lit with RICS 150th colours in July 2018



A Lego model of the RICS headquarters



Our touring exhibition in Shanghai



2068 time capsule sealed by Her Majesty Queen Elizabeth II



Launch of Pledge 150 campaign with HRH the Duke of Cambridge

Global 150th anniversary campaigns

Pride in the Profession

Our Pride in the Profession initiative has showcased the significant and positive impact our profession has made on society.

Our professionals were invited to nominate achievements by people from the past, or those active in the profession today, culminating in a vote to recognise the most outstanding examples. Over 150 nominations were received with over 60 full profiles published across a variety of communications channels.



Benedict Tan



Elaine Jones



George Everest



Irene Barclay



Bill Jones



Amanda Clack



Martin J Brühl



Dr John Rae



Gonzales Martenqiusis

Cities for our Future

This future facing competition launched in association with our partners Unesco and The Association of Commonwealth Universities, in January 2018. It issued a challenge to imaginative, problem-solving young professionals to submit transformative ideas for projects and policies that could solve some of the defining issues of our time: rapid urbanisation, climate change and resource scarcity.

In May, the impressive 1,200 entries received were narrowed down by regional judging panels to 12 global finalists. Each finalist received the support of an RICS-qualified professional mentor to develop their idea further, in advance of the winner being selected in November 2018.



Earl Patrick Forales, winner of the RICS Cities for our Future competition

Cities for our Future competition

1,200 entries

47% female 

585 million PR audience

53% male 

50 million social media impressions

76% under 35 years old

INFLUENTIAL



CONFIDENCE THROUGH PROFESSIONAL STANDARDS

#WBEP

DIVERSE

PRIDE IN THE PROFESSION

CITIES FOR OUR FUTURE

Summit 2018

People, Place, Possibility:
The story of the century
to come

JB Straubel
Co-Founder and CTO, Tesla Motors



78% of stakeholders believe RICS shows leading edge thinking on issues of global significance

Keynote speaker JB Straubel and CTO, Tesla Motors

Impactful thought leadership

Global strategic thinking and practical solutions to the most pressing challenges of our changing world

“The World Built Environment Forum in London was an excellent example of why RICS is a standout professional organisation. The level of discussion, quality of speakers and content, and the opportunities for networking were beyond my expectations. As a long-time sponsor of RICS conferences in the Americas, I am really looking forward to it coming to New York – where we can all continue the discussion we started in London!”

John Busi

President, Valuation & Advisory, Newman Knight Frank

In our 150th anniversary year, the third Summit of the World Built Environment Forum in London attracted over 800 global delegates from China to Panama.

Visionary thinkers, global disruptors, heavyweight investors, city leaders and rising stars focused on the major global trends shaping society and our sector. Together they set out a positive story about the future of the built environment and how our industry can help make it a reality.

Discussions focused on how investment strategies can help create smart, liveable and resilient cities in the context of innovative technology, disruptive business models, scarce resources and climate change. Over 2,000 leading industry figures have now taken part in our Summit dialogues in Washington DC, Shanghai and London. They have grappled with questions such as how to bridge a global infrastructure funding gap of US\$ 57 trillion; China’s ambitious Belt and Road strategy; city competitiveness; innovation clusters; investment risk and the interplay between urban and non-urban communities.

The Summit further highlighted our profession’s role at the forefront of setting the future direction for the built environment. We are using the insights we have gathered to build a global network of built environment professionals and their stakeholders, aimed at combining knowledge, skills and resources to create and manage the built environment that global populations need.

Preparations are well underway for our next Summit, in New York, where we will focus on the future of investment and in particular the impact of technology and the changing nature of work and workspace.

Participants included senior executives from:

- global real estate, infrastructure and construction firms
- management consultancy
- property technology developers and suppliers
- professional services
- institutional investors
- international institutions
- national and city governments
- regulators

Over **60** speakers

75 cities contributing to the debate

Over **800** professional attendees from all sectors of the built environment

Ensuring trust and confidence

Upholding standards for a global market

We continue to play a central role in developing and collaborating on global standards that build greater confidence, consistency, and transparency in markets. Our main focus is on built environment projects, but our work extends to associated areas including the natural environment and intangible assets. These have achieved significant recognition and adoption, which leads to greater understanding of the standards of RICS professionals and firms.

International Construction Measurement Standards (ICMS)

Governments and clients in the UK, Canadian and Middle East markets have adopted ICMS, which is driving demand for cost reporting in ICMS format and for RICS professionals to undertake this work.

Certified in Entity and Intangible Valuations

A credential for professionals who perform fair value measurements for businesses and intangible assets was established. This was a collaborative effort with American-based professional bodies, and leading firms in business valuation which are all working toward, and committed to, adopting the credential.

Anti-money laundering, bribery and corruption

The professional statement published in February 2019, setting out the mandatory requirements for RICS professionals in relation to economic crime. This will help uphold professional standards and provide confidence to clients of chartered surveying services.

International Property Measurement Standards (IPMS)

There has been significant adoption of IPMS through the development of residential floor plans and building consumer awareness of the benefit of RICS standards as part of the home-buying process.

Fire safety

RICS has played a significant role in advising the UK Independent Review into Building Regulations and Fire Safety chaired by Dame Judith Hackett following the Grenfell Tower tragedy of 14 June 2017. This has led to RICS advising many governments around the world on fire safety and looking to collaborate with similar organisations to review global standards on fire safety in high-risk buildings. This culminated in July with the International Fire Safety Standards Coalition being officially launched at the United Nations in Geneva.



Launch of International Fire Safety Standards at the United Nations



Working with the software industry

RICS has produced data standards for IPMS and ICMS, which are currently being adopted by software vendors to ensure that professionals working to RICS standards can use the required technology products to help them.

New Red Book

2017 saw significant recognition and adoption of the RICS Valuation - Global Standards 2017 (Red Book) which adopts the International Valuation Standards set by IVSC. The Red Book is widely regarded as the highest standards of professionalism for valuation work.

Procurement in facilities management

Following on from the Carillion collapse, RICS has developed clearer standards on how to procure facilities management services to ensure RICS professionals can demonstrate the highest professional standards for this work.

The Red Book and International Valuation Standards (IVS)

There has been considerable work undertaken to ensure adoption of the Red Book and IVS by the Abu Dhabi government, leading to significant recognition of the RICS qualification in the region.

Compulsory purchase standards

We have been working hard with key parties including Highways England in the UK to get recognition of RICS standards and professionalism in the field of compulsory purchase.

The coalition for International Ethical Standards

The coalition for International Ethical Standards continues to grow with likeminded organisations around the world. This now includes 130 coalition members and over 140 supporters in firms.

83% of stakeholders agree RICS increases status and recognition of professional standards



Upholding the standards of a global profession

I have been the independent chair of the Regulatory Board since 2015. In my third year, I have seen RICS take concrete steps in ensuring its global regulatory model remains fit for the future. We cannot underestimate the importance of effective worldwide regulation for the profession - both as a source of support in ensuring that the profession's standards are adopted effectively among firms and individual professionals and, when appropriate, a means to enforce our standards in the public interest. Whether it is consumers buying family homes, investors planning their billion-dollar portfolios, or governments trying to keep cities liveable, they all depend on the profession upholding its standards.

Following an extensive global consultation, we have embarked on an ambitious programme of strengthening our firm

regulation. The changes we plan to make will make it easier for clients and members of the public to recognise regulated firms, and those firms will be required to work more closely with RICS to ensure they live up to the public's expectation around service, conduct, competence and consumer protection. This closer relationship with RICS will benefit firms as well. They will be able to assure clients that they work to globally recognised standards and inspire confidence by doing so.

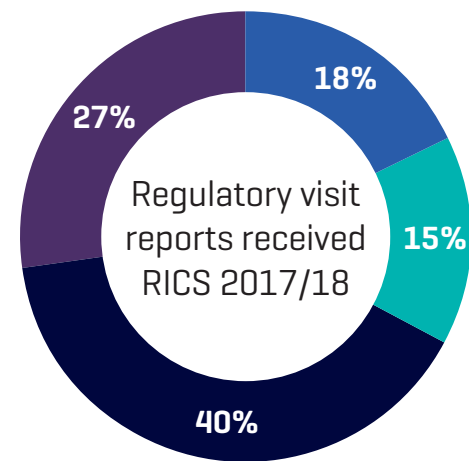
We developed our ability to undertake thematic reviews: research into a specific area of risk in surveying work, practice, or the implementation of standards. Our first review looked into Conflicts of interest. With this, RICS has strengthened its ability to understand risk and provide the profession with the tools to address it.

RICS' Conduct and Appeal Committee has also been strengthened further. Last year we were proud to appoint Sir Michael Burton as the new independent chair. This year we have been able to add more professionals and independent members with strong regulatory backgrounds to the body that hears the profession's disciplinary cases. We have also undertaken a review of how we enforce standards, and this will lead to further improvements in this area.

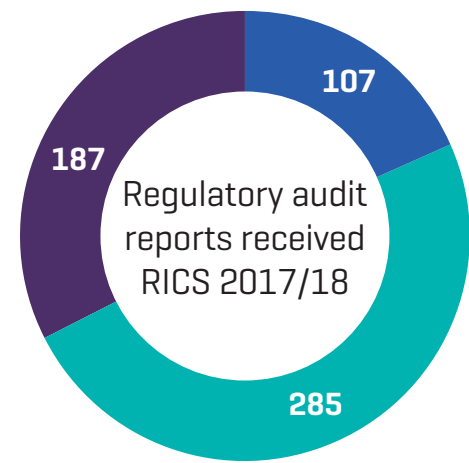
The journey has been positive this year, but there is still a lot to achieve. The Regulatory Board looks forward to working with RICS and the profession to deliver in the public interest.



Stephen Haddrill
Chair, RICS Regulatory Board



- Outstanding
- Good
- Improvements required
- Unsatisfactory



- Valuation
- Client's money
- General insurance mediation activity

Professional assurance in practice

We support the profession and underpin client and wider public confidence through our assurance programme.

We monitor **10,820** RICS-regulated firms, **131,073** individual professionals and trainees, and **16,209** 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 registered valuers, our complaints function, and market intelligence.

As part of this model 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.

Feedback shows that the profession values our review visits:

- It was clear what was required of me during the review (97% agree).
- The reviewer(s) understood my business and tailored their approach appropriately (95% agree).
- Overall, the review process has been of benefit to our firm (94% agree).

Enforcing our standards

In 2017-2018 we received **1,060** complaints from members of the public and business clients about the profession. In **407** cases this led to further investigation.

The independent Conduct and Appeal Committee (CAC), chaired by Sir Michael Burton, held **128** Disciplinary Panel hearings and issued **220** sanctions.

Disciplinary Panels are three-person panels selected from the Committee which is made up of RICS professionals and independent members.

In 2017-2018 the CAC was expanded internationally to 27 and includes members from 5 countries, including South Africa and Australia.

1,036 CPD cautions

23 Fines

349 Combined CPD cautions and fines

60 Consent orders

60% of consent orders were the result of proactive monitoring through our assurance work.

54 Expulsions

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](https://www.rics.org/consentorders)

Disciplinary panel outcomes are published in Modus, on [rics.org/conductcases](https://www.rics.org/conductcases) and through RICS news

For more information on our regulatory model, please visit [rics.org/howweregulate](https://www.rics.org/howweregulate)

The profession of the future

Ensuring the profession remains trusted and relevant

Future of the profession consultation

Over the last 150 years the built and natural environments have evolved significantly. But the scale of this change today is unprecedented. The stark, interdependent challenges posed by rapid technological innovation, the climate emergency and food insecurity are all by-products of one prime movement which has started to define the 21st century: humanity's mass migration from the countryside to the city. Urban areas in the USA have more than quadrupled since 1945, while the United Nations has predicted that 6.5 billion people will be living in cities by 2050.

Our profession has a compelling opportunity to help manage this global demographic shift in a way that is sustainable. Get this right and we can drive greater public and commercial value. To do so requires a fresh look at the skills and business models needed in future, as well as the way in which we set and enforce standards.

Our Future of the Profession consultation is the first step in assessing the future demands. It attempts to summarise how RICS-qualified professionals and businesses in all markets around the globe are experiencing changes within their day to day working lives, so that we can understand how we might respond imaginatively to the challenges ahead.

It is a work in progress, which will require further validation. Between now and May 2019 we will be consulting widely across the sector with a view to shaping these findings into a preliminary report we can launch to mark the beginning of a 12-month strategy review.

Short to medium-term challenges will be built into our next three-year business plan. Longer-term challenges will be considered as part of a ten-year horizon scanning exercise over the course of 2019/2020. This work will culminate in the launch of our next Futures Report and a revised corporate strategy in May 2020.

Building a diverse and inclusive profession

RICS has continued to engage and attract a wider pool of talent to improve diversity within the profession. Women accounted for almost a third of newly qualified members and enrolments in 2017/18. However, large numbers of women leave the profession mid-career. This was addressed at our World Built Environment Forum Summit within a panel session, which brought together leaders and rising stars across the industry to determine how best to recruit and retain talent.

There has been a continued focus on the visibility of diverse role models, essential to attract people from wider ethnic and socio-economic backgrounds. While 1.5% of professionals declare their ethnicity as Black, Asian and Minority Ethnic (BAME), this is derived from very low levels of declaration. A change in culture must take place to ensure that professionals feel confident in bringing their whole selves to work and celebrate diversity.

From August 2018 the RICS Assessment of Professional Competence changed to include mandatory competences in Inclusive Environments and Diversity, Inclusion and Teamworking. This will shape better understanding and application of inclusive practices and cultures from new professionals and those supervising, counselling and assessing their competence.

Relaunch of the Inclusive Employer Quality Mark (IEQM)

January 2019 saw the relaunch of a revised and improved IEQM. This will be more accessible for businesses and organisations of all sizes and will address some of the issues that affect the industry, gender and ethnicity pay gaps, mental health and inclusive culture. 177 organisations have already signed up to the IEQM representing a workforce of over 300,000, demonstrating a commitment to improve inclusion and diversity.

177 signatories to the IEQM representing a workforce of **300,000**

RICS Diversity and Inclusion strategy presented to **500 professionals** through **Stay Informed** and **Employer Forum** events

Diversity and Inclusion Training delivered to Assessors and Auditors to support Assessment of Professional Competence changes



Visit by BAME surveyors and RICS to No.10 Downing Street to meet PM Special Advisor



54% of our professionals agree RICS encourages diverse talent to choose a career in property [up from 43% in 2017]

Inspiring the next generation

Our Inspire workshops launched in the UK with the objective of raising interest among school age students in a career in surveying. The workshops involved over 7,000 students across 40 schools. 82% of attendees rated the workshops as good or better.

After the workshops there was a 12% increase in students considering this career, while 79% said their understanding of it had grown substantially.

Additionally, RICS Inspire ambassadors engaged with over 61,000 students, providing information about the breadth and variety of our profession's work, sharing real life examples and case studies, to ensure students gain a clear understanding of the opportunities available and skills to be gained through this career choice.

All schools we work with have a higher than average free school meal allocation and English as an additional language statistic, indicating we are engaging with a diverse audience.

Inspire ambassadors engaged with

61,000

school aged students

School of Built Environment

Technology is fast evolving in the construction sector and RICS School of Built Environment strives to keep up with the developments and give students the necessary expertise. The highly distinguished faculty at RICS School of Built Environment delivers research and practice-based teaching on a global curriculum.

Young professionals getting ready for the future at the school are up to speed with the latest trends including Building Information Modeling (BIM), Blockchain, using concepts of Artificial Intelligence and Internet of Things (IoT) to integrate databases in real time. Being an industry-led academic institution, School of Built Environment is therefore looking at trends within the marketplace for

insight into how the profession must adapt so that it can continue to serve the public interest in the years to come. We aspire to be the sourcing hub for talent for all the major organisations in the built environment domain and to be instrumental in shaping the world we all live in.



School of Built Environment graduation ceremony




Engaging with our profession

 **Over 82,000**
LinkedIn connections

 **Over 58,000**
Facebook fans

 **Over 100,000**
Twitter followers

 **Over 5,000**
Instagram followers

Over
40,000
customer interactions on
social media each month

Over
1,000,000
social media impressions per month

Social media
followers in
more than **150**
countries

Award winning RICS



PRESENTED BY: METAPROP NYC

Global PropTech awards
– RICS nominated for Top Association award



International Content Marketing awards – Cities for our future nominated Best business to business campaign



Memcom – RICS received Highly Commended award for student engagement for the vlogging campaign that had over 100,000 views



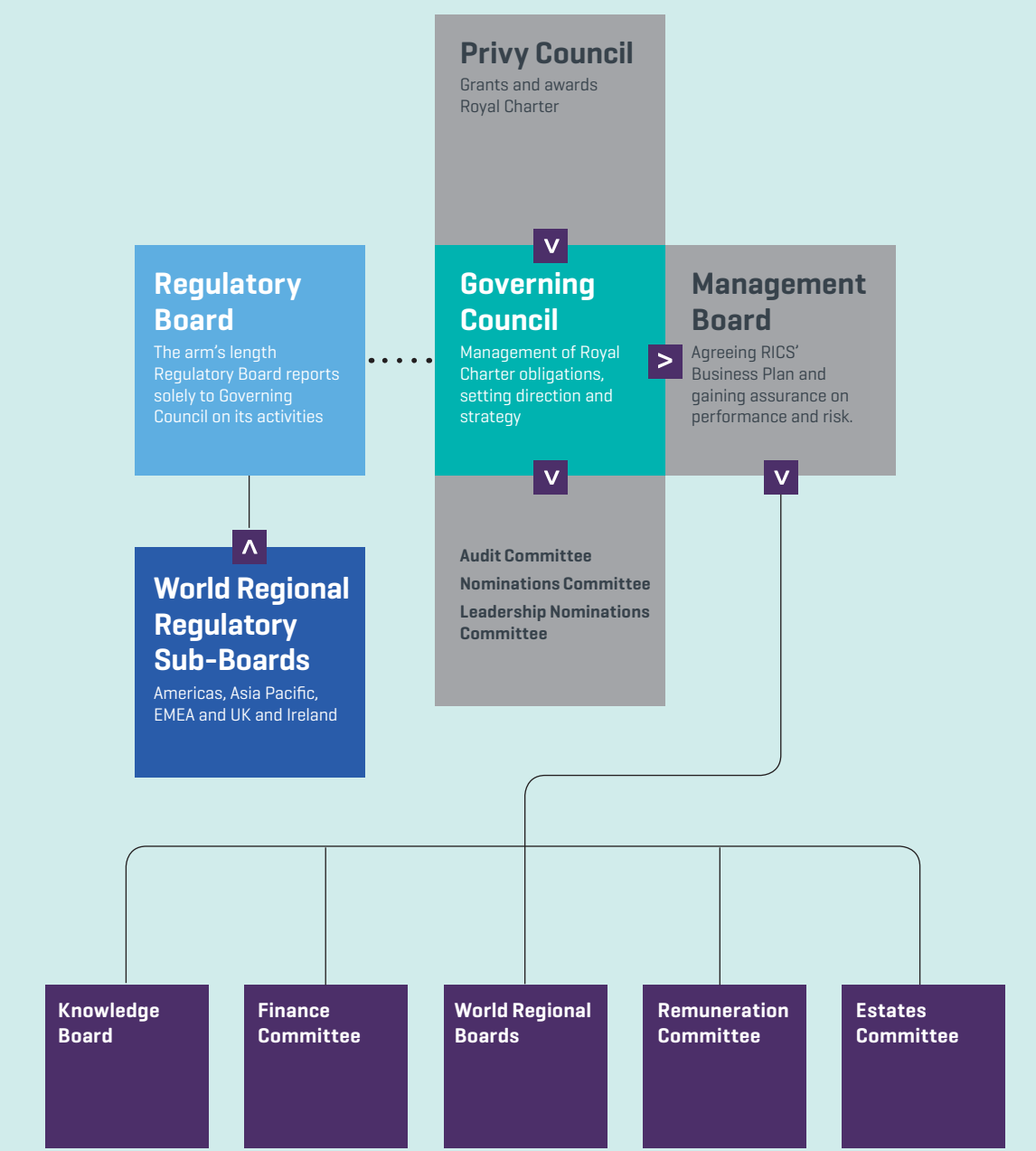
Memcom – RICS won Marketing event of the year award for Pledge 150 launch event with HRH The Duke of Cambridge



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 2018

RICS Officers

President	John Hughes FRICS
President Elect and Secretary to the Profession	Chris Brooke FRICS
Senior Vice President	Tim Neal 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	Sean Tompkins Violetta Parylo

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

John Hughes FRICS	Monique Royle MRICS
Chris Brooke FRICS	Adrienne Yarwood FRICS
Keith Agar FRICS	Alan Child FRICS
Louise Archer FRICS	Bruno Cohen FRICS
Richard Asher FRICS	Natalie Cohen MRICS
James Baker MRICS	Ann Gray FRICS
Dayle Bayliss FRICS	Julian Josephs FRICS
Rebecca Best FRICS	Gerhard Kemper FRICS
Sara Cameron MRICS	Peter Smith FRICS
Diane Dumashie FRICS	Ramsey Tadros FRICS
Nicola George MRICS	Marna van der Walt FRICS
Bryony Goldsmith MRICS	Paul Collins MRICS
Michael Hannaway FRICS	Isobel O'Regan MRICS
Rob Hindle FRICS	Will Waller MRICS
Michael Holden FRICS	Kevin Brogan FRICS
Amy Leader MRICS	Benjamin Towell MRICS
Jonathan Lever FRICS	David Sandbrook FRICS

Regulatory Board

As at 31 July 2018

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 and comprised of independent members and RICS members from around the world. This approach combines robust global oversight with professional expertise.

Regulatory Board

Stephen Haddrill, Chair	Financial Reporting Council (FRC)	UK
Paul Beland	Shareholder services, CFRA Investment Research, Deputy Director of Research	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, Financial Regulators Complaints Commissioner & member of professional Regulatory Boards	UK
Natalie Breen	PwC, Head of Asia Real Estate Desk	UK/Singapore
Bruce Haswell	Gleeds Construction Consultancy, Regional Director	Egypt

Americas Regulatory Sub-Board

Paul Beland, Chair	Shareholder services, CFRA Investment Research, Deputy Director of Research	USA
Geoff Ritcey MRICS	Sun Life Financial, AVP Credit Risk Management	Canada
Maral N. Kazanjian	Moody's Corporation, Managing Director- Employment Law and Employee Relations	USA

Asia Pacific Regulatory Sub-Board

Natalie Breen, Chair	PwC, Head of Asia Real Estate Desk	UK/Singapore
Andrew Kam MRICS	Jones Lang LaSalle (JLL), Director, Valuation	China
Andrew Collins MRICS	Colliers International, Director, Risk Management and Valuation Standards	Australia
Jerome Chung	KPMG, Partner, Deal Advisory	Hong Kong
Julian Butson	The Property Hub, Managing Director	New Zealand

EMEA Regulatory Sub-Board

Thijs Stoffer, Chair	Real estate bodies	Switzerland
Gabriel Matar FRICS	Sentinel Hospitality, Managing Partner	France
Cyril Troyanov	Altenburger Zurich, Senior Partner	Switzerland
Nick Powlesland FRICS	Knight Frank, Partner, Head of European Valuations	UK
Nicole Arnold	Universal-Investment-Gesellschaft, Director Portfolio Management Real Estate	Germany

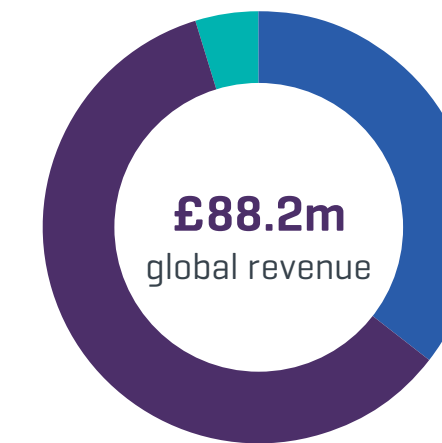
UK and Ireland Regulatory Sub-Board

Antony Townsend, Chair	Regulator, Financial Regulators Complaints Commissioner & member of professional Regulatory Boards	UK
Clive Tucker	Technology, Environment, Defense and Real Estate, Non- executive, Chair and lawyer	UK
Charles Banner	Landmark Chambers, Barrister	UK
Sarah Chaudhry MRICS	oneSource, Director of Asset Management Services	UK
Benjamin Gill MRICS	Deloitte Real Estate, Manager	UK
Ulrike Hotopp	LIVE Economics Ltd, Director	UK
Richard Waterhouse MRICS	Deputy Director: Property Profession, Office of Government Property: Cabinet Office	UK

Finance review

Group revenue analysis

For the year ended 31 July 2018



	£000	
2017-18 Group income	88,246	%
Membership income	52,718	60
Commercial income	31,491	35
Other income	4,037	5

2017-18 Membership income	52,718	%
Subscriptions income	48,321	92
Assessment income	1,821	3
Other joining related fees	2,576	5

2017-18 Commercial income	31,491	%
Conferences income	9,375	30
Training income	9,005	29
Other commercial income	13,112	41

Management Board Statement: The auditor has issued unqualified reports on the full annual financial statements and on the consistency of the Summary report and Corporate Governance statement with those annual financial statements.

Consolidated Statement of Profit and Loss Account

For the year ended 31 July 2018

	2018	2017
	£m	£m
Revenue	88.2	86.5
Cost of sales	(30.4)	(29.5)
Gross profit	57.8	57.0
Key activities and services		
Regional and local service provision	(20.0)	(19.6)
Creating and enforcing professional standards	(13.9)	(12.0)
Gaining influence and building brand profile	(12.0)	(11.6)
Technology development and operations	(5.7)	(5.3)
Legal and governance	(2.2)	(2.8)
Depreciation and amortisation	(2.1)	(2.5)
Finance operations and ongoing compliance	(2.4)	(2.5)
Property operations and lifecycle maintenance	(2.2)	(2.3)
Central activities	(1.4)	(1.4)
Total expenditure on key activities and services	(61.9)	(60.0)
Other [costs]/income		
Charitable trusts and donations	(0.1)	(0.1)
[Deficit]/surplus on foreign exchange	(0.3)	0.6
Profit on sale of property, plant and equipment and available for sale investments	1.8	1.1
Total other income	1.4	1.6
Result before interest and taxation	(2.7)	(1.4)
Finance income	0.4	0.3
Result before taxation	(2.3)	(1.1)
Taxation	(0.3)	(0.5)
Net result after taxation attributable to RICS for the financial year	(2.6)	(1.6)

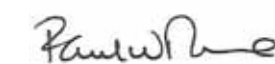
Consolidated Statement of Financial Position

As at 31 July 2018

	2018	2017
	£m	£m
Non-current assets		
Property, plant and equipment	42.3	40.6
Intangible assets	0.3	0.4
Deferred tax asset	1.2	1.1
Pension asset	6.9	0.2
	50.7	42.3
Current assets		
Financial assets: Available for sale investments	19.1	18.8
Inventories	0.1	0.1
Trade and other receivables	12.4	10.2
Cash and cash equivalents	9.8	15.2
	41.4	44.3
Total assets	92.1	86.6
Current liabilities		
Trade and other payables	(40.1)	(38.1)
Current tax liabilities	(0.2)	(0.2)
	(40.3)	(38.3)
Non-current liabilities		
Trade and other payables	(0.4)	-
Provisions	(0.4)	(0.5)
Deferred tax liability	(6.2)	(5.7)
	(7.0)	(6.2)
Total liabilities	(47.3)	(44.5)
Total net assets	44.8	42.1
Reserves		
Revaluation reserve	28.6	27.5
Investment revaluation reserve	3.2	2.7
Revenue reserve	4.3	2.8
Other reserves	8.7	9.1
	44.8	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 27 March 2019 by:



Paul Marcuse
Chairman, Management Board



Sean Tompkins
Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 31 July 2018

	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 loss after taxation	-	-	-	(1.6)	-	-	-	(1.6)
Increase in valuation of land and buildings	2.4	-	-	-	-	-	-	2.4
Actuarial losses recognised in defined benefit pension scheme	-	-	-	(0.6)	-	-	-	(0.6)
Transfer of realised investments	-	-	-	-	-	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
Reserves at 1 August 2017	27.5	6.0	1.6	2.8	(0.1)	2.7	1.6	42.1
Net loss after taxation	-	-	-	(2.6)	-	-	-	(2.6)
Transfer on sale of Surveyor's Court	0.6	-	-	(0.6)	-	-	-	-
Decrease in valuation of land and buildings	(0.1)	-	-	-	-	-	-	(0.1)
Actuarial gains recognised in defined benefit pension scheme	-	-	-	5.7	-	-	-	5.7
Net change in market value of long-term investments over cost	-	-	-	-	-	0.4	-	0.4
Differences arising from foreign exchange translation	-	-	-	-	(0.4)	-	-	(0.4)
Deferred tax on above	0.6	-	-	(1.0)	-	0.1	-	(0.3)
Total comprehensive income in the year	1.1	-	-	1.5	(0.4)	0.5	-	2.7
Reserves at 31 July 2018	28.6	6.0	1.6	4.3	(0.5)	3.2	1.6	44.8

Consolidated Cash Flow Statement

For the year ended 31 July 2018

	2018 £m	2017 £m
Cash flows from operating activities		
Result before taxation	(2.3)	(1.1)
Adjustments for: Depreciation and amortisation	2.1	2.5
Adjustments for: Profit on sale of property, plant and equipment and available for investment sale	(1.8)	(1.1)
Cash flows from operating activities before movements in working capital	(2.0)	0.3
Movements in working capital		
(Increase) in trade and other receivables	(2.2)	(1.2)
Increase in trade and other payables	2.4	3.2
Unrealised (deficit)/surplus on foreign exchange	(0.4)	(0.2)
Cash (used in)/generated from operating activities after movements in working capital	(2.2)	2.1
Movements on provisions		
Provisions	(0.1)	(0.4)
Tax paid	0.1	(0.3)
Cash outflow on pension funding	(1.0)	(1.0)
Net (used in)/cash generated from operating activities	(3.2)	0.4
Cash flows from investing activities		
Purchase of property, plant and equipment	(6.8)	(0.9)
Purchase of intangible assets	-	(0.3)
Purchase of available for sale investments	(1.2)	(1.0)
Proceeds from disposal of available for sale investments	1.3	4.1
Proceeds from disposal of Surveyor's Court	4.5	-
Net cash (outflow)/inflow from investing activities	(2.2)	1.9
Net (decrease)/increase in cash and cash equivalents in the year	(5.4)	2.3
Net cash and cash equivalents at 1 August	15.2	12.9
Net cash and cash equivalents at 31 July	9.8	15.2

Independent Auditor's Report

To the Members of The Royal Institution of Chartered Surveyors

We have examined the summary financial statement of The Royal Institution of Chartered Surveyors for the year ended 31 July 2018, which comprises Consolidated Statement of Profit and Loss Account, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement.

Respective responsibilities of the Management Board and auditors

The Management Board are responsible for preparing the summarised annual report, for which they have delegated responsibility to the Chief Financial Officer.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full annual financial statements.

We also read the other information contained in the summarised annual report, which comprises Our Vision, President's introduction, Chief Executive Officer's review, Our 150th year, Impactful thought leadership, Ensuring trust and confidence, The profession of the future and Corporate governance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 'The Auditors' Statement on the Summary Financial Statement in the United Kingdom' issued by the Auditing Practices Board. Our report on the Institution's full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion, the summary financial statement is consistent with the full annual financial statements of The Royal Institution of Chartered Surveyors for the year ended 31 July 2018.

Use of our report

This report is made solely to the Institution's members, as a body. Our work has been undertaken so that we might state to the Institution'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 Institution and the Institution's members as a body, for our work, for this report, or for the opinions we have formed.

David White

Partner, Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
28 March 2019



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.

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