

Company registration number: 10527810

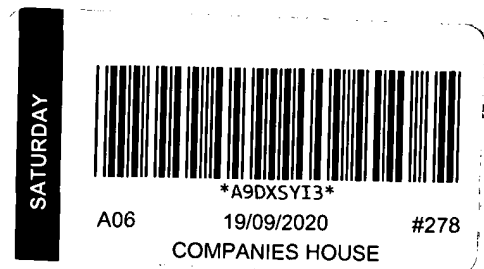
Charity registration number: 1175536

# Ministry of Building Innovation

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2019



GRC Accountants Limited  
166 Banks Road  
West Kirby  
Wirral  
Merseyside  
CH48 0RH

# **Ministry of Building Innovation**

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## **Ministry of Building Innovation**

### **Reference and Administrative Details**

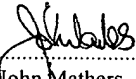
<b>Chairman</b>	John Mathers
<b>Trustees</b>	John Mathers George Anthony Clarke Mary Valerie Linda Parsons Mark Farmer
<b>Principal Office</b>	Lyday House Oakridge Lynch Stroud Gloucestershire GL6 7NU
<b>Company Registration Number</b>	10527810
<b>Charity Registration Number</b>	1175536
<b>Bankers</b>	Metro Bank One Southampton Row London W1CB 5HA
<b>Independent Examiner</b>	GRC Accountants Limited 166 Banks Road West Kirby Wirral Merseyside CH48 0RH

## **Ministry of Building Innovation**

### **Strategic Report for the Year Ended 31 December 2019**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2019, in compliance with s414C of the Companies Act 2006.

The strategic report was approved by the trustees of the charity on 2 September 2020 and signed on its behalf by:

  
.....  
John Mathers  
Chairman and Trustee

## Ministry of Building Innovation

### Trustees' Report

The Trustees, who are Directors for the purposes of Company Law, present the Annual Report together with the financial statements of the Charitable Company for the period ended 31 December 2019.

#### Structure, Governance and Management

##### *Nature of Governing Document*

The Ministry of Building Innovation (MOBI) is a Company Limited by Guarantee (No: 10527810). It is registered as a charity with the Charity Commission in England and Wales (No: 1175536). Its Governing Instruments are its Memorandum of Association and Articles of Association which were approved on 15th December 2016. They were revised on 17th August 2017. The charity operates under the title of the Ministry of Building Innovation and Education (MOBIE). The charity remains registered at Companies House as MOBI.

##### *Purpose*

Education is at the heart of MOBIE's work. The Charity works with a range of education and other partners to deliver home design and innovation learning at all age levels:

- inspiring, training and re-training young people to deliver the homes and places that we want and really need; and
- advancing home design and innovative construction thinking, working with industry and government to help provide homes that will genuinely transform the way we live in Britain.

MOBIE has five main priorities that will help it achieve its aims:

- developing a Further and Higher Education offer in advanced home design, manufacture and construction;
- developing a schools' programme to inspire younger generations to pursue a career in innovative home design and manufacture;
- running national and local home design challenges to enable young talented designers to share their vision and ideas of the homes of the future;
- creating an International Centre for Advanced Home Design, Innovation and Manufacturing to be *the* hub for innovative home-making and learning in the UK; and
- undertaking Research and Development to advance home design and manufacturing knowledge

##### *Organisation Structure*

MOBIE is governed by a Board of Trustees. The Board must have at least three members. The Board usually meets on a 6-8 week cycle. The composition of the Board is reviewed on a regular basis to ensure that it remains appropriate and has the right composition of skills and expertise to direct the activities of the Charity.

The Trust's work is guided by a Business Plan 2017 – 2020. Results are monitored throughout the year by the Board. During 2019 we undertook a review of the Business Plan. In 2020 we will produce our next Business Plan

The day to day control and operation of the Charity were managed by the Chief Executive. MOBIE's other staff are a Head of Education, who leads on the development of education approaches in advanced home design, manufacture and construction, and a Head of Design who is contracted to undertake specific pieces of design work including design challenges and MOBIE's website.

##### *Recruitment and appointment of Trustees*

Keeping the Board current and relevant is vital for the good governance of the Charity. Consideration is given to relevance and breadth of knowledge, diversity of personal qualities, skills and experience.

There were no changes to the Board in the reporting period.

## Ministry of Building Innovation

### Trustees' Report

#### *Working relationships*

MOBIE will achieve its objectives by working in partnership with other stakeholders:

- Higher Education - courses will be developed with partner Universities who will deliver the course outcomes and content co-created with MOBIE; MOBIE will assist with delivery where appropriate and oversee quality; we have created a Research and Development capability in partnership with Northumbria University.
- Further Education - we have partnered with Pearson, the world's leading learning company, to develop MOBIE modules for their Construction and Built Environment BTEC, and MOBIE Future Homes Design and Construction Higher National Certificates (HNC) and Diplomas (HND).
- We continue to explore options for an International Centre for Advanced Home Design, Innovation and Manufacturing with partners.
- We have joined forces with a variety of partners to deliver Home Design Challenges.

#### *Major risks and risk management*

MOBIE maintains a risk register to identify potential risks, gauge the likelihood of the risk occurring, estimate the impact were it to occur and detail the arrangements that have been put in place to reduce the risk. This is reviewed by the Executive on a regular basis and by Board at least annually.

#### **Objectives and activities**

##### *Objectives and aims*

As detailed in the Memorandum of Association, the Charity's objectives are "to advance such charitable purposes as the trustees see fit from time to time but not limited to advancing the education of young people and adults for the public benefit by providing centres of educational excellence, delivering educational programmes, carrying out research and making grants and awards to students". In part these activities will be delivered with funding from grants, donations and income from student fees.

MOBIE trustees have complied with their duty to have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

##### *Financial review*

The Statement of Financial Activities (SOFA) set out on page 11, is designed to reflect all income receivable in the period covered by the report irrespective of when it is spent.

During the year the charity received income of £4.8k. The charity continued to benefit from the donation in 2017 of £500,000. The charity had total expended resources for the year of £203,300. The accumulated funds at the end of the year were £49k.

The charity benefitted from the generous in-kind contributions from a number of organisations including Places for People who produce our monthly and annual accounts, Social Communications who delivered a social media campaign #LoveHome in February, and UK Construction Week (UKCW) and the Construction Innovation Hub for exhibition space and the build of a stand, furniture, models and VR walk through, based on the winning designs from our national design challenges, hosted by the Manufacturing Technology Centre in June.

These financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) and applicable accounting standards.

##### *Policy on reserves*

The charity will need to hold sufficient unrestricted reserves to enable it to deliver projects and outcomes in line with the public benefit it provides. A reserve will be developed and retained to enable this to happen. The Board of Trustees monitor the reserves and cashflow at each Board meeting to ensure the charity remains in a financial position to complete its required activities in both the short- and long-term. In support of our reserves policy, our intention is to hold reserves equivalent to 6 months running costs that will enable the charity to fund any short-term deficits in our cash budget due to, for example, delayed payments for services or award of grants.

# Ministry of Building Innovation

## Trustees' Report

### *Investment policy and objectives*

The charity has the power to invest any monies not immediately required for its purposes in or upon such investments, securities or property as is considered fit subject to such conditions and consents as may be imposed or required by law and within the limits of the Ministry of Building Innovation and Education Policy. No monies were invested during the reporting period with all reserves held in the Charity bank account.

### *Going concern*

The charity operates to an agreed annual budget that is aligned to the Charity's Business Plan. The long-term operating model of the charity is to keep running costs focussed on core staff and any required services and facilities required to deliver our objectives. We will fund this through income from a percentage of student fees on MOBIE courses, contracts, grants and any in-kind funding through partnerships to meet the operating costs and project costs of the organisation.

The first income from the first MOBIE course, the MSc at Teesside University, was received in late 2018. The remaining payment of £5,386.60 was received in June 2019. Further courses start in September 2019 (Birmingham City University BA and Teesside University BSc) and Wolverhampton MSc (Jan 2020) which will produce increased income in 2020. A successful grant application, supported by Wates Residential, was submitted to the Wates Giving Fund to run a primary school design challenge in 2020. The Grant of £8k is augmented by a further £4.2k donation from Wates Residential.

MOBIE was part of a successful consortium bid for a Construction Industry Training Board (CITB) project to deliver train the trainer materials in offsite construction, Offsite Ready – [www.offsiteready.com](http://www.offsiteready.com). The contract commenced in June 2019 with a value of £71.7k, although the first payment will not be received until 2020.

MOBIE also joined a consortium in a successful tender bid for government contract to run a design competition for the Home of 2030 – [www.homeof2030.com](http://www.homeof2030.com). MOBIE will deliver a Young Persons' Design Challenge as part of the overall competition. We will receive £49k for our contribution, again with the first income to be received in 2020.

The charitable activities undertaken may require any unrestricted reserves to be utilised in order to deliver the agreed objectives in the Business Plan. The Directors are satisfied that the Charity is a going concern.

### **Achievements and performance**

Highlights for 2019 include holding and judging a national student design challenge culminating in the winning designs being reproduced as an award-winning stand at UK Construction Week in October; developing and gaining approval for our Advanced Home Futures BSc in partnership with Teesside University and the Design for Future Living BA with Birmingham City University and the Offsite Housing Construction MSc with Wolverhampton University. We have worked in partnership with Pearson to develop MOBIE specialist units (offsite and alternative construction methods, the housing industry, housing design and renewable energy) for their Construction and the Built Environment BTEC which were approved by the Department for Education in September.

Through the year we have continued to strengthen the MOBIE brand including the website and have increased our engagement with supporters and stakeholders through social media, especially our #LoveHome campaign in February. We have instigated partnerships with a number of organisations that share our objectives and are interested in delivering a different education in home design and manufacture. This report celebrates these achievements.

We are mindful that we have only just started the journey of changing the way we build homes through innovative design and construction thinking and delivering our vision of inspiring, training and re-training young people to deliver the homes and places that we want and really need. 2019 has been the next stage on that journey and we continue to build firm foundations that will enable us to grow and inspire more young people to take up careers in the Built Environment and to positively shape the future of home building in the UK.

### **Student Design Challenges**

The Charity collaborated with the Manufacturing Technology Centre (MTC), Coventry as part of the newly formed Construction Innovation Hub to hold our third national Student Design Challenge. The brief asked students to design a modular home made up of up to sixteen 3m x 3m x 3m pods for a multigenerational home that can adapt over time. The shortlisted entries attended a final at the MTC and the winning designs were turned into a stand for the Construction Innovation Hub and MOBIE at UK Construction Week in October.

## Ministry of Building Innovation

### Trustees' Report

#### MOBIE Courses

##### *MSc Advanced Home Futures*

The MSc in Advanced Home Futures at Teesside University was launched in September 2018. The first MOBIE graduates graduated and exhibited their final projects at the MSc Degree Show in August 2020 at Middlesbrough Institute of Modern Art (MIMA) with around 100 invited guests attending. It was a significant milestone for these students and a proud evening for MOBIE.

##### *BSc Advanced Home Futures*

Following the launch of the MSc at Teesside, we worked with the design and engineering department to develop a BSc degree in Advanced Home Futures, which will support and encourage progression to the MSc. This course was validated and commenced in September 2019.

##### *BA Design for Future Livings*

We have collaborated with the architecture department at Birmingham City University to develop a BA degree in Design for Future Living. This course was developed and validated in a very short period and commenced in September 2019.

##### *MSc in Offsite Housing Construction at University of Wolverhampton*

We have collaborated with Wolverhampton University to write a new distance learning MSc in Offsite Housing Construction. It places more emphasis on the engineering and technical challenges of Modern Methods of Construction. This course was validated and will commence in January 2020.

##### *Homes for the Future Innovation Research Centre*

We have established the MOBIE Northumbria University Homes for the Future Innovative Research Centre. The intention is to fund up to five PhD research programmes in home design, manufacture and construction with industry providing 30% of the funding and the rest through the University. The first PhDs started in October - <https://www.northumbria.ac.uk/business-services/engage-with-us/mobie/>

#### Course Development

##### *BTEC Construction and Built Environment specialist units*

Following the successful development of bespoke Higher National Certificate (HNC) and Diploma (HND) courses 'Future Homes Design and Construction' MOBIE worked with Pearson, the world's leading learning company, to develop specialist units for their BTEC Level 3 Diploma. These units were approved by the Department for Education (DfE) in April. They are designed to appeal to employers and students who require both 'traditional' construction training and to develop skills in Modern Methods of Construction (MMC) and digital competencies.

#### Projects

##### *Offsite Ready*

MOBIE was part of a successful consortium bid, alongside Construction Scotland Innovation Centre (SCIC), Edinburgh Napier University, City of Glasgow College, Construction Wales Innovation Centre (CWIC) and Class of Your Own for a Construction Industry Training Board (CITB) funded project to deliver train the trainer materials in offsite construction for schools, colleges and universities, Offsite Ready – [www.offsiteready.com](http://www.offsiteready.com). MOBIE is developing some materials for Colleges alongside project partners and will deliver a series of free regional seminars to Further and Higher Education staff across England to introduce them to and encourage uptake of the materials.



# Ministry of Building Innovation

## Trustees' Report

### *Home of 2030 Young Persons' Design Challenge*

MOBIE joined a consortium alongside the Building Research Establishment (BRE), Royal Institute of British Architects Competitions (RIBA) and the Design Council for a successful tender bid for a government contract (from the Business, Energy and Industrial Strategy Department, Ministry of Housing, Communities and Local Government and Department of Health and Social Care) to run a design competition for the Home of 2030 – [www.homeof2030.com](http://www.homeof2030.com). MOBIE will deliver a Young Persons' Design Challenge to run alongside the professional design competition.

### Events

#### *National Housing Design Conference, Birmingham, February*

MOBIE's founder and Trustee George Clarke gave a keynote presentation at the government's national Better Design for Better Places conference in Birmingham in February. In the run up to the conference MOBIE ran a #LoveHome social media campaign asking people 'what makes their house a home?' and George posed a pivotal question to over 300 key influencers at the conference 'How do we design and make homes our kids will love when they grow up?'. MOBIE had previously had a low social media presence but the campaign generated significant social media engagement in advance of the conference – 96% increase in twitter followers and 22% increase in Instagram, and 5223 engagements across both channels. This has enlarged the community that follow us and support our objectives.

#### *Housing 2019, Manchester, June*

MOBIE helped run a Homeless Hackathon at *Housing 2019* in Manchester on 25 June. The Hackathon brought together participants from the conference to collaborate on design solutions that could contribute to ending homelessness. Some of our Teesside MSc students took part and assisted groups in their thinking. Other partners in the hackathon included the Chartered Institute of Housing, Greater Manchester Combined Authority, Great Places Housing Group and Homes for Cathy. MOBIE Chief Executive announced the winners alongside the Rev David Walker, Bishop of Manchester. The Hackathon generated great profile for MOBIE at the event and afterwards in social media and through *Inside Housing*.

#### *UK Construction Week, October*

The Construction Innovation Hub and MOBIE stand at UKCW was designed based on the winning entries to the 2019 Student Design Challenge. The winning designers visited the stand and were thrilled to see their home and interior designs turned into reality on the stand, through models and a VR walk around the winning house design. The stand won the large stand prize at the exhibition. Student groups from Northumbria University, Birmingham City University, University of Wolverhampton, Dudley College and Nottingham Girls Academy took part in a Home of 2030 Design Challenge on the middle day of the conference.

#### *HOMES UK, London, November*

Following the success of the Homeless Hackathon at *Housing 2019*, Ocean Media asked MOBIE to hold a home of the future/Home of 2030 design charette at HOMES UK in November. Eight architecture and landscape design students and their tutor from Birmingham City University assisted. Participants were asked to identify the key issues, design a home of the future, summarise their design in three words and produce a tweet - all in three hours. Two exceptionally talented and motivated teams produced storyboards and interesting designs solutions. *Inside Housing* reported on the Charette and we promoted the outputs of the challenge on social media.

### Awards

- MOBIE won the Best Skills and Training Innovation award at the Building Innovation Awards, Manchester, October
- The #LoveHome social media campaign won the not-for-profit campaign Gold award at the Chartered Institute of Public Relations Pride North West Awards 2019 (MOBIE and Social).
- One of our Teesside MSc students was identified as a RESI Trailblazer 2019 – an award celebrating young people in the housing industry.

## Ministry of Building Innovation

### Trustees' Report

#### Plans for future periods

##### *Aims and key objectives for future periods*

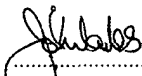
The primary services delivered by the Ministry of Building Innovation and Education during the reporting period were courses and course content and design challenges. We also developed new courses at Teesside, Birmingham City and Wolverhampton Universities and the specialist unit content for the Construction and Built Environment BTEC.

The Charity has developed a unique education pathway in home design, manufacture and construction from BTEC to PhD and it will grow the number of students on existing courses, the number of institutions offering these courses and the different levels of courses available so that many more students can learn about a new way of creating homes and move on to careers in the built environment, home design and manufacture.

The charity will continue to run young peoples' Home Design Challenges for school and college students with appropriate partners and intend to grow the number of challenges through the development of local challenges. The charity will seek partners with allied interests for grants and contracts to educate students and industry in advanced home design and modern methods of construction.

The Trustees, as part of their duties, review the Charity's objectives alongside the latest strategies and priorities. They remain satisfied that the objectives are capable of being delivered for the public benefit. The activities undertaken during the reporting period and planned for the future are considered to be sufficiently broad and open to fall within the statutory definition of public benefit.

The annual report was approved by the trustees of the charity on 2 September 2020 and signed on its behalf by:

  
.....  
John Mathers  
Chairman and Trustee

## Ministry of Building Innovation

### Statement of Trustees' Responsibilities

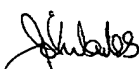
The trustees (who are also the directors of Ministry of Building Innovation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Approved by the trustees of the charity on 2 September 2020 and signed on its behalf by:



John Mathers  
Chairman and Trustee

## Ministry of Building Innovation

### Independent Examiner's Report to the trustees of Ministry of Building Innovation

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2019 which are set out on pages 11 to 16.

#### Respective responsibilities of trustees and examiner

As the charity's trustees of Ministry of Building Innovation (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

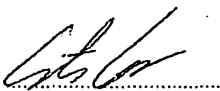
Having satisfied myself that the accounts of Ministry of Building Innovation are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Ministry of Building Innovation as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Gareth Cooper  
ACCA

166 Banks Road  
West Kirby  
Wirral  
Merseyside  
CH48 0RH

Date: 08/09/2020

## Ministry of Building Innovation

### Statement of Financial Activities for the Year Ended 31 December 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2019 £	
<b>Income and Endowments from:</b>				
Other trading activities	3	4,846	4,846	
Total income		4,846	4,846	
<b>Expenditure on:</b>				
Raising funds		(203,113)	(203,113)	
Charitable activities	4	(1,008)	(1,008)	
Total expenditure		(204,121)	(204,121)	
Net expenditure		(199,275)	(199,275)	
Net movement in funds		(199,275)	(199,275)	
<b>Reconciliation of funds</b>				
Total funds brought forward		247,755	247,755	
Total funds carried forward	9	48,480	48,480	
	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and Endowments from:</b>				
Other trading activities	3	11,918	52,870	64,788
Total income		11,918	52,870	64,788
<b>Expenditure on:</b>				
Charitable activities	4	(163,666)	(52,870)	(216,536)
Total expenditure		(163,666)	(52,870)	(216,536)
Net expenditure		(151,748)	-	(151,748)
Net movement in funds		(151,748)	-	(151,748)
<b>Reconciliation of funds</b>				
Total funds brought forward		399,503	-	399,503
Total funds carried forward	9	247,755	-	247,755

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 9.

**Ministry of Building Innovation**  
**(Registration number: 10527810)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors	7	-	2,693
Cash at bank and in hand		65,008	268,488
		65,008	271,181
<b>Creditors: Amounts falling due within one year</b>	8	(16,528)	(23,426)
<b>Net assets</b>		48,480	247,755
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		48,480	247,755
<b>Total funds</b>	9	48,480	247,755

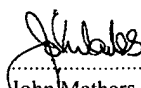
For the financial year ending 31 December 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 11 to 16 were approved by the trustees, and authorised for issue on 2 September 2020 and signed on their behalf by:

  
 .....  
 John Mathers  
 Chairman and Trustee

## **Ministry of Building Innovation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 Charity status**

The charity is limited by share capital, incorporated in .

The address of its registered office is:

Lyday House

Oakridge Lynch

Stroud

Gloucestershire

GL6 7NU

These financial statements were authorised for issue by the trustees on 2 September 2020.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

Ministry of Building Innovation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## **Ministry of Building Innovation**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### ***Taxation***

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### ***Trade debtors***

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### ***Fund structure***

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.



## Ministry of Building Innovation

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Income from other trading activities

	Unrestricted funds	Total 2019 £	Total 2018 £
	General £		
Other income from other trading activities	4,846	4,846	64,788
	<u>4,846</u>	<u>4,846</u>	<u>64,788</u>

#### 4 Expenditure on charitable activities

		Unrestricted funds	Total 2019 £	Total 2018 £
	Note	General £		
Allocated support costs	5	228	228	215,756
Governance costs	5	780	780	780
		<u>1,008</u>	<u>1,008</u>	<u>216,536</u>

#### 5 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds	Total 2019 £	Total 2018 £
	General £		
Allocated support costs	780	780	780
	<u>780</u>	<u>780</u>	<u>780</u>

#### 6 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 7 Debtors

	2019 £	2018 £
Other debtors	<u>-</u>	<u>2,693</u>

#### 8 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	<u>16,528</u>	<u>23,426</u>

## Ministry of Building Innovation

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 9 Funds

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>				
General	<u>(247,755)</u>	<u>(4,846)</u>	<u>204,121</u>	<u>(48,480)</u>
	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>				
General	(399,503)	(11,918)	163,666	(247,755)
<b>Restricted funds</b>	<u>-</u>	<u>(52,870)</u>	<u>52,870</u>	<u>-</u>
<b>Total funds</b>	<u>(399,503)</u>	<u>(64,788)</u>	<u>216,536</u>	<u>(247,755)</u>

#### 10 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Current assets	65,008	65,008
Current liabilities	<u>(16,528)</u>	<u>(16,528)</u>
Total net assets	<u>48,480</u>	<u>48,480</u>
	Unrestricted funds General £	Total funds £
Current assets	271,181	271,181
Current liabilities	<u>(23,426)</u>	<u>(23,426)</u>
Total net assets	<u>247,755</u>	<u>247,755</u>