

Registered Company No. 1084747 (England and Wales)
Registered Charity No. 265139

ARCHITECTS BENEVOLENT SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

ARCHITECTS BENEVOLENT SOCIETY

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ARCHITECTS BENEVOLENT SOCIETY

COMPANY INFORMATION

Chief Executive	Robert Ball
Welfare Officers	Ms Helen Stanley Mr Aidan Cullen
Company number	1084747
Charity number	265139
Registered office	43 Portland Place London W1B 1QH
Independent auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	C Hoare and Co 37 Fleet Street London EC4P 4DQ Lloyds TSB Bank PLC 8/10 Waterloo Place London SW1Y 4BE
Investment Managers	Schroder and Co Limited 100 Wood Street London EC2V 7ER C Hoare and Co 37 Fleet Street London EC4P 4DQ Investec Wealth and Investment Limited 2 Gresham Street London EC2V 7QN
Solicitors	Hunters 9 New Square, Lincoln's Inn London WC2A 3QN Bates Wells and Braithwaite 2-6 Cannon St London EC4M 6YH

All correspondence should be addressed to:

Chief Executive
Architects Benevolent Society
43 Portland Place
London W1B 1QH

Telephone 020 7580 2823
Email help@absnet.org.uk
www.absnet.org.uk

ARCHITECTS BENEVOLENT SOCIETY

COMPANY INFORMATION

OFFICERS OF THE SOCIETY

Patron	His Royal Highness The Duke of Gloucester KG GCVO
President	Sunand Prasad PPRIBA
Vice Presidents	Chris Cowen RIBA John Lane PPRIAS FRIBA Brian Lingard DA FRIBA
Chairman	Kenneth Bingham RIBA
Vice Chairman	Ronnie McDaniel Dip Arch (Sheff), FRIBA
Honorary Secretary	Chris Goodall RIBA
Honorary Treasurer	Dr Geoffrey Purves BA BArch RIBA FRIAS MCI Arb

ARCHITECTS BENEVOLENT SOCIETY

COMPANY INFORMATION

MEMBERS OF THE COUNCIL

John Assael	
Kenneth Bingham	(South Western Region)
Anthony Clerici	(West Midlands Region)
Chris Cowen	
Lelia Dunlea-Jones	
Janet Dunsmore	(Eastern Region)
William Evans	(East Midlands Region)
Chris Goodall	(North West Region)
Terry Hopegood	
John Lane	(RIAS)
Brian Lingard	
Ronnie McDaniel	(Royal Society of Ulster Architects)
Peter McKinley	
Colin Morse	
Geoffrey Purves	(Northern Region)
Stella Saunders	(Wales Region)
Freni Shroff	
Malcolm Sinclair	(South East Region)
Marjorie Smith	(Chartered Institute of Architectural Technologists)
Chris Warburton	(Resigned 13 February 2013)
Hugh Woodeson	
Tom Young	

In accordance with Article 38, one third of members retire from the council each year and being eligible may offer themselves for re-election.

ARCHITECTS BENEVOLENT SOCIETY

COMMITTEES OF THE COUNCIL

The Council is the governing body of the Society but most of the day to day work is delegated to committees which undertake the administration and decision making which is essential to the continuation of the work of the Society. All committee members are volunteers who give a considerable amount of time and expertise for the benefit of those members of the profession who have fallen on hard times. Enquiries from those willing to serve on committee are always welcome.

Case Committee:	Kenneth Bingham (Chairman) Lelia Dunlea-Jones Chris Goodall Terry Hopegood John Lane Colin Morse Keith Robinson* Freni Shroff Marjorie Smith
Executive Committee:	Chris Goodall (Hon Secretary and Chairman) John Assael Kenneth Bingham Janet Dunsmore Ronnie McDaniel Geoffrey Purves Freni Shroff
Finance and Property Advisory Committee:	Geoffrey Purves (Chairman) Chris Goodall Brian Lingard Simon Still* Hugh Woodeson
External Affairs Committee	Ronnie McDaniel (Chairman) Kenneth Bingham Chris Goodall Geoffrey Purves

All members of committees are Trustees and Members of the Council other than those shown with an asterisk thus *

ARCHITECTS BENEVOLENT SOCIETY

REGIONAL AND BRANCH REPRESENTATIVES

Representatives in the Regions and Branches are part of a countrywide network of members of the profession who are prepared to act as advisers to their colleagues locally and to promote understanding and spread information within their area about the Society and its activities and needs. They also organise events and help raise funds for the Society. Regional Contacts are trustees of the Society and members of the Council. They co-ordinate activities within their region. One of the most important roles the branch representatives can play is to try to ensure that any architect, technologist or assistant or their dependants in the area, whether they are members of the RIBA, or CIAT or the Landscape Institute or not, know that the ABS is there to help wherever it can in times of need.

36 Branches have nominated an ABS branch representative to act in this way so far. If you notice that your branch is not included in the following list then no member has been nominated to date.

Please persuade your local branch to do so as soon as possible, or better still volunteer yourself!

Eastern Region

Regional Representative

Janet Dunsmore
Hudson Architects
9-10 Redwell Street
Norwich
Norfolk
NR2 4SN

Bedford Branch
David Pratt
Woods Hardwick
17 Goldington Road
Bedford
MK40 3NH

Hertfordshire Association of Architects

David Kirby
Kirby Cove Architects
Molewood End
Molewood Road
Hertford
SG14 3LT

Norfolk Association of Architects

Janet Dunsmore
Hudson Architects
9-10 Redwell Street
Norwich
Norfolk
NR2 4SN

South Essex Chapter

David Charles
32 Merilies Gardens
Westcliff on Sea
Essex
SS0 0AB

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REGIONAL AND BRANCH REPRESENTATIVES

East Midlands Region

Regional Representative

Bill Evans
The Evans Partnership
Prebend Passage
Westgate
Southwell
Nottinghamshire
NG25 0JH

Leicester and Rutland Society of Architects

Andy Collins
Metz Architects Limited
Jubilee 2
Phoenix Yard
Leicester
LE1 5TE

Lincolnshire Society of Architects

Barry Johnson
16 Main Ridge West
Boston
Lincolnshire
PE21 6QN

Northamptonshire Society of Architects

Will Assheton
GSS Architecture
35 Headlands
Kettering
Northamptonshire
NN15 7ES

Nottingham and Derby Society of Architects

Tony Pearson
Faulks Perry Culley and Rech
Lockington Hall
Lockington
Derbyshire
DE74 2RH

London Region

Regional Representative

Vacant

North West London Society of Architects

Raymond Stigant
27 Bedford Road
London
N15 4HA

ARCHITECTS BENEVOLENT SOCIETY

REGIONAL AND BRANCH REPRESENTATIVES

	East London Branch D P Davighi 24 Forest Way Woodford Wells Essex IG8 0QF
	Richmond, Kingston and Merton Branch Leigh Bowen 12 Fairlands Twickenham TW1 2JY
Northern Region	Regional Representative Dr Geoffrey Purves Hawthorn House Kirkwhelpington Northumberland NE19 2RT
North West Region	Regional Representative Chris Goodall 25 Hughes Lane Oxton Merseyside CH43 5TU
	Cheshire Society of Architects Chris Goodall 25 Hughes Lane Oxton Merseyside CH43 5TU
	Liverpool Architectural Society M A Paddock Paddock Johnson Associates Studio 2 The Lyceum Bath Street Port Sunlight CH62 4UJ
Southern Region	Regional Representative Vacant
	Buckinghamshire Society of Architects Anthony Eaves Misbourne Woodside Close Chalfont St Peter Buckinghamshire SL9 9PA

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REGIONAL AND BRANCH REPRESENTATIVES

Hampshire Branch
Mark Penfold
MacAllan Penfold
18 Northfield Road
Church Crookham
Fleet
Hampshire
GU13 0ED

Isle of Wight Branch
Norden Patton
Arbutus Cottage
Arreton
Newport
Isle of Wight
PO30 3AL

Oxfordshire Society of Architects
Michael Vaughton
Michael Vaughton Associates
25 Barlow Close
Wheatley
Oxfordshire
OX33 1NL

South East Region

Regional Representative
Malcolm Sinclair
37 Fairlands Road
Fairlands
Worplesdon
Guildford
GU3 3JA

Canterbury Branch
Sam Webb
Walnut Tree Cottage
68 Shalmsford Street
Chartham
Canterbury
Kent
CT4 7RH

West Kent Branch
Martin Bush
Acorn House
119-121 Wickenden Road
Sevenoaks
Kent
TM13 3PW

ARCHITECTS BENEVOLENT SOCIETY

REGIONAL AND BRANCH REPRESENTATIVES

South Western Region

Regional Representative

K S Bingham
21 Tern Gardens
Plympton
Plymouth
PL7 2HZ

Cornwall Branch

John Wilks
Toll Cottage
Porthoustock
St. Keverne
Helston
Cornwall
TR12 6QW

Exeter Branch

Brian Godfrey
The Godfrey Partnership
20 Fore Street
Teignmouth
Devon
TQ14 8DU

Plymouth Branch

K S Bingham
21 Tern Gardens
Plympton
Plymouth
PL7 2HZ

Wessex Region

Regional Representative

Vacant

Bristol and Bath Branch

Sian Smith
Basement Flat
23 Freeland Place
Clifton
Bristol
BS8 4NP

Dorset Branch

Paul Harrington, Esq
Morgan Carey Architects Ltd
The Goods Shed
Sandford Lane
Wareham
Dorset
BH20 4DX

ARCHITECTS BENEVOLENT SOCIETY

REGIONAL AND BRANCH REPRESENTATIVES

	Somerset Branch Christopher Mitchell Mitchell Architects 16 Cherry Tree Way Watchet Somerset TA23 0UB
	Wiltshire Branch Andrew Bumphrey 2-3 Silverless Street Marlborough Wiltshire SN8 1JQ
West Midlands Region	Regional Representative Anthony Clerici 1 Townsend Street Worcester WR1 3JQ
	Worcester Society of Chartered Architects Anthony Clerici 1 Townsend Street Worcester WR1 3JQ
Yorkshire Region	Regional Representative Vacant
Northern Ireland	Regional Representative J R McDaniel 45 Stormont Park Belfast BT4 3GW
	Ulster Branch Jill Kerry 23 King's Brae Belfast BT5 7ER
Scotland	Regional Representative J A Lane Planetree Planetree Park Gatehouse of Fleet Kirkcudbrightshire DG7 2EQ

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REGIONAL AND BRANCH REPRESENTATIVES

Regional Representative

Thomas M Young
1 Glencairn Crescent
Edinburgh
EH12 5BS

Aberdeen Society of Architects

Sheila Riddell
69 Devonshire Road
Aberdeen
AB10 6XP

Dundee Institute of Architects

Andrew Black
Andrew Black Design
1 Ritchies Lane
Perth Road
Dundee
DD2 1ED

Edinburgh Architectural Association

Thomas M Young
1 Glencairn Crescent
Edinburgh
EH12 5BS

Glasgow Institute of Architects

Angus Kerr
3 Caldwell Road
West Kilbride
Ayrshire
KA23 9LE

Inverness Architectural Association

Keith Edwards
Cromal
16 South Guildry Street
Elgin
IV30 1QN

Stirling Society of Architects

Morag Phillips
AHA Architects
15 Melville Terrace
Stirling
FK8 2NE

Wales

Regional Representative

Stella Saunders
Moseley House
1 Heath Halt Road
Heath
Cardiff CF23 5QF

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REGIONAL AND BRANCH REPRESENTATIVES

South Wales Branch
Stella Saunders
Moseley House
1 Heath Halt Road
Heath
Cardiff
CF23 5QF

West Wales Branch
Gareth Scourfield
Pembroke Design
5 Picton Place
Haverfordwest
Dyfed
SA61 2LE

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

The members of the Council are pleased to submit their report and the financial statements of the Architects Benevolent Society for the year ended 30 September 2013.

Structure, Governance and Management

Structure

The Society is a Registered Charity and a Company limited by guarantee governed by Articles and a Memorandum of Association. It is not liable for Corporation Tax on its charitable operations.

Membership of the Society is by invitation from Council and is drawn from those who have assisted in the charitable work or have expressed a willingness to do so. It is not restricted to membership of the architectural profession. All Members of the Society are entitled to attend, to speak and to vote at General Meetings.

Governance

The Council is composed of Members of the Society and is the governing body. Members of the Council are Trustees of the charity and Directors of the Company for the purposes of company law. They are elected at the Annual General Meeting, normally held in June each year, and one third retire from office annually, but are eligible for re-election. The Society encourages the appointment of trustees from disciplines other than architecture where their expertise will be appropriate for furthering the charitable work. Prospective trustees are interviewed by a small panel of existing trustees prior to their appointment being recommended. A formal induction procedure is in place which includes training and familiarization for the first year of trusteeship. This procedure is regularly reviewed and the Council is developing procedures for the ongoing training of all trustees in the future.

The composition of the Council for the year ended 30 September 2013 is set out on page 3. The Chief Executive of the Society is directly responsible to the Council in the execution of his duties.

Management

Most of the day to day work of the Society is carried out by formally appointed Committees which report directly and regularly to the full Council. At the heart of the Society is the Case Committee which advises Council on the whole of the Society's charitable work and considers on an individual and confidential basis what help should be given in each case. Two Welfare Officers, who are permanent members of the Society's staff, meet all new applicants for assistance in their own homes and make regular annual visits to all existing beneficiaries. They are able to make informed and appropriate recommendations for consideration by the Case Committee.

The other main committee of Council is the Executive Committee which, with assistance from the Finance and Property Advisory Committee deals with financial and administrative matters. Income is generated from investments, from property and by fundraising undertaken both by volunteers and by the Society's own staff. The Articles of Association place no specific restriction on the powers of the Trustees generally with regard to investments held in the Long Term Funds, which represent the majority of the Society's investments and capital holdings. But the Society also operates the Sawyer Benevolent Fund, the terms of which are more restrictive. The Sawyer Bequest was a legacy in 1930 in favour of twenty old retired architects in poor circumstances, and specified the type of investment that may be held. The Trustees are not authorised to reduce the capital value, only to utilise the income from the invested fund as set out in the bequest, and the fund has been invested in accordance with the Trustee Investment Act 1961.

Publicity, marketing, events and fundraising matters are dealt with by the External Affairs Committee which also reports to the Executive Committee and to the Council

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REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Relationships

The Society's work is promoted and assisted by region and branch representatives throughout the country who give voluntarily of their time. Their work is important in helping to make local members of the profession aware of the help that the Society can offer and also to assist with income generation. Regional and branch representation is currently being reviewed and improved.

The Society has informal but close links with the Royal Institute of British Architects, the Royal Incorporation of Architects in Scotland, the Royal Society of Ulster Architects, the Royal Society of Architects in Wales, the Architects Registration Board, the Worshipful Company of Chartered Architects, the Chartered Institute of Architectural Technologists, the Landscape Institute and others. It is also a subscribing member of Careways Trust, the Professionals Aid Council, the Association of Charitable Organisations and the Fundraising Standards Board.

Risk Management

In 2002 the Council undertook an assessment of the major risks to which the charity is exposed and systems were established to monitor and mitigate those risks. During 2009-10 a complete re-examination of all the Society's activities and the associated risks was begun and that work was completed in 2011. The risks, the mitigation measures and the assessment of residual risks are reviewed by the trustees on a regular basis.

Objects and Activities

Objects

The main objects set out at the first meeting of the Society on 27 November 1850 remain the same today. In accordance with its Articles and Memorandum of Association the ABS continues to fulfil its role in providing relief to *'persons engaged or formerly engaged in the practice of architecture, and the wives, widows, children and other dependants of such persons being in necessitous circumstances'*

Council includes in the definition of 'persons engagedin architecture' any person in the United Kingdom, the Channel Islands or the Isle of Man who works or has worked as an architect (including landscape architect but excluding naval architect) or in employment as an architectural technologist or assistant or is involved in the building design process.

Public benefit

The Architects Benevolent Society is a registered charity whose charitable purpose defined within the Charities Act 2011 is for the relief and prevention of poverty. The Society provides public benefit through financial help and other assistance to past and present members of the architectural profession and their dependants. This help is extended to all those who work or have worked in the design process within architecture in the United Kingdom, Channel Islands and the Isle of Man. It is not restricted to qualified architects or to members of any particular professional body or group. In reviewing the aims and objectives of the Society and in planning future activities the trustees have referred to the guidance issued by the Charity Commission on public benefit. The trustees consider that current activities deliver public benefit.

Aims for public benefit

The Society is the only occupational benevolent fund for the architectural profession in the UK and its aim is to offer real help wherever it can to those who are eligible and in need, to improve the quality of life to those who are experiencing difficulty through advanced age, infirmity, poverty or illness, to afford opportunities for a fresh start in life for those who have met with adversity and generally give comfort and hope to those who are in trouble of various kinds.

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Objectives for the year

The main objective for the Society in 2012-13 was to plan for the long term financial sustainability of the organisation. The gradual decline in voluntary income (almost wholly derived from the architectural profession) was continuing and charitable spending to assist those in need was increasing. Despite significant legacy income received during the course of the year, net income continued its downward trend of recent years. With expenditure remaining high, largely due to the level of money given away to beneficiaries, the Society was faced with a continuing annual deficit of up to £500,000.

Against this background, a major review of fundraising practices was carried out during the year and it was agreed to commit further staff resources to increasing voluntary income. Most significantly, it was intended that investment in staff would allow for a greater concentration on raising awareness of the Society's activities among members of the wider architectural profession.

The single most important event during the year was the sale of Claverton Court, the Society's sheltered housing site in Chester. The Welfare Officers spent a very great deal of time and effort to ensure all of the resident beneficiaries were found suitable alternative accommodation and must be thanked for the professional and sensitive way in which they handled this difficult task.

The Welfare Officers also completed a full review of the annual visiting schedule to beneficiaries during the course of the year in order to optimise the time they spend at the head office assisting with the very many and varied enquires received during the year.

Strategies

As detailed above, and as with many occupational benevolent funds, the strategy for both income generation and for increasing the number of people helped, is centred on raising awareness of the charity so that the majority of people in the architectural profession know of the Society's existence. This is particularly challenging with those people such as widows of architects who may have lost touch with the profession but are nevertheless in need and are eligible for help. As well as allocating more staff resources towards this activity, the trustees continued to a review the Society's publicity material including the regular newsletters and in particular the website. The new publicity material will allow for greater and more accessible interaction with the profession with a view to increasing awareness as well as donation income and it is hoped that this work will be completed during 2014.

Voluntary work

All of the work carried out by the formal committees and working groups appointed by Council is done voluntarily. Many of the tasks involve a great deal of work in addition to attending meetings. The Society is particularly grateful to those people who are not trustees but who give up their evenings and weekends to assist in this way. Efforts are being made to encourage younger members of the profession to become involved, either directly or by taking part in a sporting or other sponsored activity to raise money. Our volunteer representatives in the regions and branches all over the country continue to assist with raising funds, often substantial sums, and to identify those people who might need the Society's help.

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Achievements and performance

The Case Committee and its work with beneficiaries

The Case Committee, chaired by Ken Bingham, advises Council on the whole of the Society's charitable work for those in necessitous circumstances. The Committee assesses the circumstances of each new applicant and

reviews each case at least once every twelve months and more frequently when necessary. This year the Society expended almost £900,000 on the relief of poverty from both restricted and unrestricted funds, a very significant increase on the £770,000 expended during 2011-12 and £775,000 during 2010-11.

Grants are made to those who need help on a regular basis and gifts are provided for specific essential items that a person would otherwise be unable to afford. Interest free loans are sometimes made instead of gifts where a beneficiary may be able to repay the Society at some time in the future.

The committee works in close cooperation with the two full time Welfare Officers who visit beneficiaries in person annually and thus have first hand knowledge of the circumstances of each case. Assessments and recommendations are prepared by the welfare team for consideration by the committee. We believe that visiting people in their own homes is an essential part of the assistance we give to people in need. So much so that visiting is written into our constitution as one of the basic ways in which help is provided.

The Welfare Officers keep up to date with the latest information on state benefits, an increasingly challenging task at the present time with the gradual implementation of Universal Credit, and with the work of their colleagues in other professional benevolent funds.

The Society can provide financial assistance very rapidly in cases of pressing need and is able to do so within 24 hours when necessary. In this regard the welfare team works closely with the Chairman of the Case Committee who is authorised to agree urgent applications for financial help between committee meetings.

In all 425 separate cases were helped during 2012-13. Of these 314 received financial assistance (318 in 2011-12) and the remainder pastoral care and advice. 37 new cases were given financial help during the year and, taking into account children, spouses and other dependants of beneficiaries, the Society helped 581 individuals.

Sadly 22 of our beneficiaries have died during the year but 27 others are no longer in need of assistance and are able to manage on their own. In some of these cases the Welfare Officers will keep in touch to ensure that all is well and that further care is forthcoming should the need arise.

Below is an example of the help which the Society has been able to give:

My name is Max Everett. I was 17 when my father died. I went to nearby Sheffield University to study Architectural Technology partly so that I could be close to support my mother and brother. Unfortunately, I failed my first year due to personal difficulties but, after resitting my exams, I qualified with a first class degree.

After graduation I quickly found a job with a large firm so things seemed to be on the up. But then in 2010 I was caught in the first wave of redundancies to hit the company and – to add to my problems – I broke my leg. Looking for work was doubly difficult. As the months went by, my debts increased and I nearly lost my home.

I knew I had to take two positive actions to change my life, so I started a small surveying company with a university friend, and I contacted the Architects Benevolent Society. It was at that time my brother was

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

diagnosed with Leukaemia. After a period of intense treatment, he went for a stem cell transplant and I found out I was compatible enough to be his donor. I'd do anything for my brother, but it meant I was unable to work for an extended period once again.

It was at this time that the ABS really made a huge difference in my life.

The ABS supported me and helped clear priority debts which had mounted up and, by helping me with my needs, the ABS enabled me to be there for my brother in his bleakest hour. Now I am physically recovered I am able to build up my business and go forward in life without worrying about debts or losing my home.

When things are difficult, I know the ABS is there to help me manage, even in the most difficult of circumstances.

Executive Committee

Under the Chairmanship of the Hon. Secretary Chris Goodall, the Executive Committee is responsible for advising Council on the whole range of the Society's activities and it has delegated power to act on behalf of Council at any time when that should be necessary, its decisions being submitted to the following Council meeting. About a third of all trustees are members of this committee which acts as a sounding board for those matters to be presented to the trustees as a whole and receives reports and minutes from all other committees and working parties except for those of the Case Committee which are sent direct to Council. It does, however, receive financial summary information from the Case Committee.

The Executive Committee approves all arrangements for the custody and best use of the Society's monies, investments, property and other assets and plans for both short and long term financial needs. It is assisted in this aspect of its work by the Finance and Property Advisory Committee which liaises directly with the investment managers. The Society continued to operate with a significant annual deficit and plans to boost income in order to ensure the long term financial health of the ABS were regularly reviewed. During the course of the year the trustees sold Claverton Court, the Society's sheltered housing site in Chester which had been running at a significant loss for a number of years.

The Society continued to receive a large proportion of its annual income from commercial rents, although this had fallen somewhat due to one of the principal tenants' leases coming to an end during the course of the year.

As usual the Society's auditors attended the January meeting at which the Annual Report and Financial Statements were examined and approved for submission to Council. The Society's Reserves policy was also reviewed at that meeting. Budgets for the coming year were approved in September and reviews of insurance, financial procedures and the investment policy statement were also undertaken during the year.

Finance and Property Advisory Committee

Chaired by the Hon Treasurer Geoffrey Purves, this committee is comprised of members with financial, investment and legal expertise. It reports directly to the Executive Committee and liaises with the Society's investment managers. At each meeting full portfolio reports are received and representatives from the managers attend meetings during the year to advise the committee in detail and to review investment policy matters in line with the approved Investment Policy Statement.

The performance of the two principal investment managers were kept under close scrutiny during the year and a review of the Society's Investment Policy Statement was begun with a view to sustaining the long term financial viability of the Society.

The performance of investments during the year was encouraging, partly due to a relatively good year for

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REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

markets worldwide, although the Society continued to draw substantial sums in order to fund its activities. But despite these withdrawals, there had been an increase in the portfolio valuations over the course of the year. Particular focus has been placed on the expected capital expenditure on 43 Portland Place over the next year, which will have a material effect on the annual budget and cash flow. The Committee also remains concerned about the long term effect of the withdrawals on capital values and plans to continue to monitor the situation closely in line with reviewing the Investment Policy Statement.

External Affairs Committee

This committee, chaired by Ronnie McDaniel, embraces all activities related to marketing and fundraising. Its purpose is to promote the Society and its activities to the architectural profession and it advises on all publicity, events and fundraising matters.

Efforts to recruit a trustee with marketing expertise were successful and Lucy Mori was appointed as a trustee and member of the committee.

General donations from the profession continued to decline and the committee was closely involved with the strategic review of fundraising practices which had been initiated with a view to increasing voluntary income. The Society employed the services of an experienced fundraising consultant to conduct the strategic review and new initiatives were implemented and staffing resources allocated accordingly.

Claverton Court Management Committee

With the sale of Claverton Court during the year the committee's responsibility regretfully ended. The trustees would like to thank all past members of the committee for the huge amount of time and effort they put into running the site over many years and the great care they took to ensuring the residents were well looked after.

The trustees and particularly the members of the Claverton Court Committee would particularly like to thank the Manager, Christine Phillips and the rest of the staff for their huge contributions over the course of many years and wish them all the very best for the future.

Appointments and retirements

Trustee Chris Warburton retired from the Council during the year. Chris was a very popular member of the Claverton Court Committee, having been involved in one way or another over many years. His work on this committee in particular was invaluable and his sense of humour, commitment to Claverton Court and great common sense will be greatly missed. We wish Chris all the very best in his future endeavours and would like to thank him for all of his efforts on behalf of the Society and the residents of Claverton Court.

A warm welcome is extended to Lucy Mori who was appointed a trustee during 2013.

Financial Review

Incoming resources Money from donations, gifts and from fundraising events during the year totalled £176,617 compared with £189,918 for 2011-12, continuing the on-going decline in voluntary income.

Legacy income was substantially up, being £329,141 in the current year compared with £29,701 in 2011-12. This was largely thanks to the very generous legacies left to the Society by Mrs Florence Ogden, Mr Robert Kidby and Mr John Hares.

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REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Income from commercial property reduced slightly totalling £425,674 compared with £464,850 in 2011-12 following the departure of one of the Society's commercial tenants during the year.

Income from sheltered housing was £33,551 down from £56,916 the previous year as a result of residents gradually vacating the flats at Claverton Court prior to the sale of the site.

Investment income decreased slightly at £260,328 compared with £269,335 in 2011-12, although investment holdings actually increased in value.

Resources expended

Costs of generating funds Fund-raising costs this year totalled £186,262 compared with £130,207 in 2011-12. This means that fundraising activities were in the red with a deficit of £9,645.

The cost of running the commercial properties increased from £120,772 in 2011-12 to £164,431 in the current year. This was largely due to repairs to 9 Weymouth Mews.

Interest on borrowings fell from £99,153 in 2011-12 to £88,381 and will fall further in the year to come. This is because proceeds from the sale of Claverton Court and other smaller properties have been used to reduce the loan from C Hoare and Co.

Charitable Expenditure The Society's overall charitable expenditure in 2012-13 totalled £1,698,434 compared with the £1,541,026 expended the previous year, an increase of £157,408. A proportion of the increase was due to staff costs and property maintenance costs had also gone up.

Deficit

The Society's net expenditure for the year was £356,185 a reduction of £177,870 on the previous year when the deficit was £534,055. In the light of the continuing economic outlook the trustees have put in place measures to very substantially reduce this annual deficit in the medium term. These are described elsewhere in this report.

Investments

The level of the main (unrestricted) investment portfolio at 1 October 2012 was £11,634,333 and at 30 September 2013 stood at £12,132,541. The level of the Sawyer Bequest (restricted) endowment fund investments at 1 October 2012 was £568,307 and at 30 September 2013 stood at £655,429.

Market Value of Land and Buildings

The Society's original freehold properties were revalued in 1986 shortly after the completion of the original buildings at Claverton Court, Chester and the revaluations were incorporated into the accounts. The properties in Surrey (Frenchlands Hatch, Frenchlands House and Woodlands Cottage) were sold at the end of 2007 and Claverton Court during 2013. The long lease on 43 Portland Place was purchased in July 2003. Further residential properties in Guildford, East Horsley, Cobham and Norfolk were acquired during 2007-8 and all are shown in the accounts at cost with depreciation as necessary. 9 Weymouth Mews, also acquired in 2007-8, at the rear of 43 Portland Place is included at market value, within investment properties.

In the opinion of the members of Council, the total market value of the properties at 30 September 2013 was in excess of the total book value of the properties shown in the accounts. The more substantial property at Portland Place remained significantly in excess of the value stated in the accounts.

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Legacies

All income from legacies is invested to produce an income. In this way, money bequeathed to the Society will have a lasting benefit for the needy people in the profession. The Society is most grateful to those who have been generous in helping to finance the charitable work in this way and commends the ABS as a worthy recipient to those who are contemplating bequests when drawing up their wills. The generosity of all those is greatly appreciated.

Legacies received during 2012-13 were:

Mrs Sally Adamson	£5,000
Mrs Gilian Carter	£2,966
Mrs Florence Ogden	£206,550
Mrs Noreen Godfrey	£500
Mr John Philip Hares	£75,000
Mr Robert Kidby	£38,125
Mr Harold Wedgwood	£1,000
Total	£329,141

Reserves Policy

It is the view of Council that the calls on the Society's funds will continue to increase over the years ahead, and particularly so with an ageing population and the continuing uncertainty over world economic situation. The new Reserves Policy adopted on 26 February 2014 therefore includes a commitment to increase the level of investment capital in the medium and long term to ensure that the Society will be in a position to continue its important work in the future.

Reasons for reserves

The Society supports approximately 600 needy people each year. The annual expenditure at present stands at £1.6 millions per annum, excluding irregular major capital works.

This expenditure is met from four main sources:

Voluntary income. This varies but not more than £160,000 per annum can be counted on with certainty at the current time, although the Society is seeking to increase donation income over the medium term by investing in fundraising activities. From 1 October 2010 legacies have been invested and only the income is spent.

Income from investments. This also varies but is unlikely to exceed £280,000 at present.

Income from commercial properties. Approximately £460,000 pa although this figure will be significantly lower for the current year due to vacancies related to major capital works.

Sales of investments. Necessary to make up the shortfall to meet annual expenditure and inadvisable when the capital value of investments is falling rather than increasing.

Without a significant capital reserve in investments the Society would lose the major source of its annual income and be at risk of failing to fulfil its duty to support the Society's beneficiaries as set out in the Memorandum and Articles of Association.

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

The Society wishes to maintain a balance of free reserves in the Current Fund at £450,000 a level sufficient for the Society to continue to operate and fulfil its obligations for a period of three months. At 30 September 2013 the balance was £629,000 a figure which the Trustees believe to be higher than necessary.

Range of reserves required

Up to 1997 the annual increase in market value of the Society's investments more than compensated for the sales of investments and the reserve therefore gradually increased. Due to the adverse market conditions from 1998 however this did not occur and the reserves were significantly depleted. Another period of economic difficulty was experienced from 2008 onwards and significant falls in the value of reserves have yet to be fully recovered.

Although there had been a diminution in direct financial help given to beneficiaries in recent years, this trend was reversed in 2005 and spending has continued to increase since then. It is anticipated that calls on the Society will be greater in the medium to long term particularly due to demographic changes which mean that a significantly greater proportion of the population will be of retirement age and the government's continuing cuts on state benefits. The Trustees are of the opinion that the Society's outgoings will continue to rise at a significant rate for the foreseeable future.

In order to meet the above requirements the Society believes that reserves, currently at just under £20.5 millions should rise to circa £30 millions by 2020.

Proposed action to achieve target reserves

In 2013 the trustees decided to devote more resources to improving income from fundraising with the specific object of increasing the level of ordinary donations to reduce the shortfall against annual expenditure. The commitment to legacies was to continue. Legacy money is invested and only the income used to fund day to day activities. It is likely that there will be little impact on regular voluntary income during 2014, however it is hoped that fundraising and legacy income will increase in future years.

Monitoring and review procedures

Monitoring of the financial performance of the investments is carried out by the Finance and Property Advisory Committee which reports to the Executive Committee each time it meets. Formal reports are submitted by the investment managers each quarter and their representatives attend in person two or three times each year to expand on these written reports. The committee minutes and recommendations are put forward for approval and ratification at the following meeting of the Society's Council.

A review of forward financial planning is carried out annually by the Executive Committee at its January meeting when the preliminary accounts for the previous year are available for examination, and at the May meeting when the accounts have been approved. Any changes recommended are minuted and submitted to the following meetings of Council for formal approval of the Trustees.

The Society is currently reviewing the investment policy statement which determines the long term strategy, risk profile and total return target of the (stock market) investment portfolios.

Responsibilities of Members of Council

The Members of Council (who are also directors for the purposes of company law) are responsible for preparing the Report of the Members of Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

Company law requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements the members are required to

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

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society 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 Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Members of Council is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Activities in the Regions and Branches

The Society is most grateful to all those who work in raising awareness and in fundraising activities and sponsorship in the Regions and Branches and in the architectural institutions throughout the UK. The ABS receives income from a variety of sources such as raffles, dinners, collections and similar events, organised either by groups or individuals. The Society is very grateful for the contribution this makes to the funds and to improving awareness of the ABS and its work.

Particular thanks are due to the following for their help over the last year

Aberdeen Society of Architects
Bradshaw Gass Trust
Broad Oak Trust
CIAT
Glasgow Institute of Architects
JK & BM Harrison Charitable Trust
The J S Trust
The Madeline Mabey Trust
The Monument Trust
Plymouth Architectural Trust
RIAS
RIBA
RIBA Bristol & Bath Branch
RIBA Exeter Branch
RIBA Leicestershire & Rutland Society of Architects
RIBA North West
RIBA South Essex Chapter
RIBA Yorkshire
RSAW

ARCHITECTS BENEVOLENT SOCIETY

REPORT OF THE MEMBERS OF THE COUNCIL FOR THE YEAR ENDED 30 SEPTEMBER 2013

RSUA
Stirling Society of Architects
The Twigg Trust
WCCA

Future plans

The Society, in common with many other charities, faces a challenging year ahead. More efforts are to be made towards raising awareness and increasing voluntary income but these are medium to long term plans and there will likely be little impact in the short term. Income from Portland Place will fall again during the year due to planned major capital works and the recent increase in charitable spending is likely to continue as benefits cuts are rolled out countrywide.

Acknowledgements

The Society wishes to express its appreciation and gratitude to the following: The RIBA, the RIAS, the RSAW, the RSUA, the Architects Registration Board, CIAT, the Landscape Institute and other Regional and Branch Councils and many other architectural organisations throughout the UK for help in various ways.

Our professional advisers for their continuing guidance and support throughout 2012-2013.

All of the staff who have looked after the day to day business of the Society as well as the administration of the individual care which the Society gives to its beneficiaries. All those members of the profession and others who continue to do so much in support of the charity, both financially and by giving generously of their time.

Particular thanks must be given to the former Secretary of the Society, Keith Robinson, who retired in February 2013.

Keith was with us for 14 years and his contribution over that time was exceptional. He held the reins during some of the most difficult times during our history. He was in post when the events of 9/11 shattered world markets so hard and also when the next major financial crisis hit in 2008. It was largely thanks to his efforts that the Society managed to negotiate these two demanding periods so successfully.

But Keith's time cannot be summed up purely by the way he handled the financial crises. With his calm guiding hand the staff of the Society continued and improved on what they do best by ensuring those in need in the profession are properly looked after when they fall on hard times. This, ultimately, is what the Society exists for and Keith was instrumental in ensuring we will continue to do so for many years to come.

Thank you Keith.

By order of the Board

Robert Ball
Chief Executive

2014

ARCHITECTS BENEVOLENT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 26 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members and trustees those matters we are required to state to them in an auditors' 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 company, the company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2013 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ARCHITECTS BENEVOLENT SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and require us to report to you if, in our opinion:

- the charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lorenzo Mosca (Senior Statutory Auditor)

For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London WC1R 4GB

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ARCHITECTS BENEVOLENT SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Unrestricted Funds Current Fund £	Long Term Fund Fund £	Endowment Fund Fund £	Restricted Fund Fund £	Total 2013 £	Total 2012 £
INCOME AND EXPENDITURE							
Incoming resources from generated funds							
<i>Voluntary income</i>							
	1						
Donations and gifts		176,617	-	-	-	176,617	182,878
Legacies		329,141	-	-	-	329,141	29,701
<i>Activities for generating funds</i>							
Fundraising income		-	-	-	-	-	7,040
Commercial rent receivable		425,674	-	-	-	425,674	464,850
<i>Investment income</i>	3	239,639	-	-	20,689	260,328	269,335
Incoming resources from charitable activities							
Income from residents of sheltered housing		33,551	-	-	-	33,551	56,916
Gain on sale of property		91,009	-	-	-	91,009	-
Total incoming resources		1,295,631	-	-	20,689	1,316,320	1,010,720
Resources expended							
Cost of generating funds:							
Cost of generating voluntary income		195,495	-	-	-	195,495	128,578
Cost of events and merchandise		-	-	-	-	-	1,629
Investment management fee		73,933	-	3,277	-	77,210	74,274
Costs of running commercial properties		88,374	76,057	-	-	164,431	120,772
Interest on borrowings		88,381	-	-	-	88,381	99,153
		446,183	76,057	3,277	-	525,517	424,406
Charitable activities:							
Relief of poverty	4	875,744	-	-	20,689	896,433	769,813
Provision of accommodation		191,680	36,788	-	-	228,468	289,880
Loss on sale of property		-	-	-	-	-	17,521
Governance	5	48,016	-	-	-	48,016	39,406
Total resources expended	6	1,561,623	112,845	3,277	20,689	1,698,434	1,541,026
Net outgoing resources before Transfer		(265,992)	(112,845)	(3,277)	-	(382,114)	(530,306)
Transfer between funds		633,685	(633,685)	-	-	-	-
Net incoming/(outgoing) resources before revaluation and investment asset disposal		367,693	(746,530)	(3,277)	-	(382,114)	(530,306)
Gain/(loss) on sale of investments		-	18,981	3,671	-	22,652	(6,693)
Gain on revaluation of investments		-	1,182,647	66,594	-	1,249,241	1,880,884
Net movements in funds		367,693	455,098	66,988	-	889,779	1,343,885
Fund balances brought forward at 1 October 2012		261,489	18,660,266	535,591	-	19,457,346	18,113,461
Fund balances carried forward at 30 September 2013	16	629,182	19,115,364	602,579	-	20,347,125	19,457,346

All results during the year related to continuing operations.

The above statement of financial activities includes the Society's statement of total recognised gains and losses, a separate income and expenditure account is presented on page 29

The notes on pages 31 to 40 form part of these financial statements.

ARCHITECTS BENEVOLENT SOCIETY

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013

	2013 £	2012 £
Total income	1,316,320	1,010,720
Total expenditure	<u>1,672,505</u>	<u>1,546,183</u>
Net expenditure	<u>(356,185)</u>	<u>(534,055)</u>

Total income comprises £1,295,631 for unrestricted funds and £20,689 restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure before asset disposals comprises £1,677,745 for unrestricted funds and £20,689 for restricted funds.

This income and expenditure account excludes all movement on the Charity's permanent endowment fund so as to comply with the requirements of Companies Act 2006.

The summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 28 which together with the notes to the financial statements on pages 31 to 40 provide full information on the movements during the year on all the funds of the Society.

The notes on pages 31 to 40 form part of these financial statements.

ARCHITECTS BENEVOLENT SOCIETY

BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	9		4,070,476		5,814,102
Investments	10		16,511,831		15,712,984
Programme related investments	11		235,880		187,150
			<u>20,818,187</u>		<u>21,714,236</u>
Current assets					
Investment property held for sale		329,406		-	
Debtors	12	91,498		120,596	
Cash at bank and in hand		21,717		26,551	
		<u>442,621</u>		<u>147,147</u>	
Creditors: Amounts falling due within one year	13	(913,683)		(2,404,037)	
Net current liabilities			<u>(471,062)</u>		<u>(2,256,890)</u>
Net assets			<u>20,347,125</u>		<u>19,457,346</u>
Funds					
Permanent Endowment Fund	14		602,579		535,591
Unrestricted Funds:					
Current Fund	15		629,182		261,489
Long Term Fund					
- Investment and Property Fund	15		19,115,364		18,660,266
			<u>20,347,125</u>		<u>19,457,346</u>

The notes on pages 29 to 38 form part of these financial statements.

Approved by the Council on 2014
and signed on its behalf by

.....
Geoffrey Purves
Member of the Council

Company No. 1084747 (England and Wales)

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 **Accounting policies**

1.1 **Accounting convention**

The financial statements are prepared under the historical cost convention with the exception of investments and land and buildings, which have been included at revalued amounts. They are prepared in accordance with the Companies Act 2006 and with the "Statement of Recommended Practice – Accounting and Reporting by Charities" issued in March 2005.

1.2 **Incoming resources**

Incoming resources are recognised on a receivable basis subject to the following specific points:-

- Legacies are regarded as receivable once their income is reasonably certain and measurable.
- Gifts other than cash are recognised at market value on the date that they are received.
- Income on the endowment fund is regarded as restricted income due to the original terms of the fund.

All the incoming resources are included in the financial statements gross i.e. before taking account of any associated expenditure.

1.3 **Allocation of costs**

Premises costs relating to the running of head office are allocated between the various expenditure headings on the SOFA on the basis space occupied by staff at head office. Other costs are allocated on the basis of staff time spent on various activities.

1.4 **Costs of generating funds**

Expenses are included as costs of generating funds if they can be directly related to a source of the Society's income or are for publicity intended to raise the profile of the charity.

1.5 **Grants payable**

Grants payable include single amounts given to needy members of the profession for specific reasons and to improve their quality of life. They also include regular grants given to beneficiaries to help them cope with day to day living expenses. All cases are regularly examined by the Case Committee both to ensure that the beneficiary is still eligible for any awards and to ensure that any new awards fall within the charity's objectives.

1.6 **Charitable activities**

The Society has identified two charitable activities through which it achieves its charitable objectives.

1.6.1 *Relief of poverty*

The Society relieves poverty through the making of grants, gifts and interest free loans to those the trustees judge to be in need. The assessment of individuals is carried out by the welfare officers whose costs are included as a direct charitable expense.

1.6.2 *Provision of accommodation*

The Society operates sheltered housing and all direct costs of running the unit plus the welfare officers' time in supporting the unit are included as a direct charitable expense.

1.7 **Governance costs**

Governance costs include all costs of maintaining the charity as a legal entity including audit fees, costs of trustees meetings and costs of complying with statutory requirements.

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1.8 **Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold and long leasehold buildings are written off in accordance with their useful lives. No depreciation is charged on land.

Claverton Court, Chester (Freehold)	-over 60 years
Echohurst (Freehold)	-over 60 years
43 Portland Place (Long Leasehold)	-over 60 years
Bluhm Bungalow, Ainsdale (Long Leasehold)	-over 30 years
Linden Place (Long Leasehold)	-over 60 years
Cobham Grange (Long Leasehold)	-over 60 years
Flat 18 The Limes (Long Leasehold)	-over 60 years
Motor vehicles	-25% per annum straight line
Fixtures, fittings and equipment	-5% - 25% per annum straight line

Items purchased are capitalised where their cost is above £500 and they are expected to have an ongoing use in the charity's operations. Purchases costing less than this are shown as part of expenditure in the Statement of the Financial Activities in the year of purchase.

1.9 **Investments**

Fixed asset investments are valued at the current market value at the balance sheet date. Any unrealised gains or losses are credited/charged to the Statement of Financial Activities. Realised gains or losses on disposal of investments are included in the Statement of Financial Activities as they arise.

Investment properties are included at the Trustees' estimate of open market value and valuations are reviewed annually. No depreciation is charged on these assets in accordance with the Statement of Recommended Practice.

1.10 **Programme related investments**

The Society makes loans to its beneficiaries that are interest free. These loans can be secured or unsecured.

To reflect the Society's expectation of receiving the money to redistribute in a reasonable timeframe 75% of any unsecured new loan will be provided against.

1.11 **Investment property held for sale**

Property held with the intention of sale is included in the accounts at the lower of cost and net realisable value

1.12 **Pension costs**

The Charity operates a defined contribution scheme, which is a Group Personal Plan. Contributions to the Scheme are charged to the SOFA in the financial year in which they become payable.

1.13 **Restricted funds**

Restricted funds are those received which are earmarked for a specific purpose by the donors. Expenditure which meets the criteria specified is allocated directly to the fund.

1.14 **Unrestricted funds**

Funds received or generated for the objects of the Charity without a further specified purpose are treated as unrestricted funds. Some of these resources are designated by the Members of the Council for particular purposes as they deem appropriate.

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1.14 Unrestricted funds (continued)

The Society's unrestricted funds comprise a Current Fund, and a Long Term Fund. The Long Term Fund, which represents the long-term operational requirements of the Society, currently consists of the investment and property fund together with the Designated Fund which represents funds designated for the works to be carried out on the property owned by the Society, 43 Portland Place.

2 Company status

The Architects Benevolent Society is a company limited by guarantee. The liability of each member is restricted to a maximum of £1 in the event of a winding up.

3 Investment income

	2013 £	2012 £
Fixed asset investments	247,613	251,268
Gross interest receivable	12,715	18,067
	<u>260,328</u>	<u>269,335</u>

4 Relief of poverty

	2013 £	2012 £
Grants	565,938	512,223
Gifts	33,950	33,845
Other direct costs including welfare officers	118,012	113,810
Indirect costs	178,533	109,935
	<u>896,433</u>	<u>769,813</u>

The Society made grants and gifts in the year to 314 (2012: 318) individual cases. All of these were made for the welfare of those who have worked in the profession of architecture and their families who were in need.

No (2012: none) grants are classified as institutional grants.

5 Governance costs

	2013 £	2012 £
Trustees and committee meetings	15,664	15,948
Audit fee	10,000	10,000
Professional fees	10,349	6,500
Other costs	12,001	6,958
	<u>48,016</u>	<u>39,406</u>

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

6 Analysis of total resources expended

	Staff costs £	Depreciation and disposals £	Grants and gifts £	Other £	Total direct costs £	Head office cost staff £	Head office cost other £	Head office depreciation £	Total costs £
Costs of generating voluntary income	23,720	-	-	28,644	52,364	82,274	59,040	1,817	195,495
Costs of events and merchandise	-	-	-	-	-	-	-	-	-
Investment management fees	-	-	-	77,210	77,210	-	-	-	77,210
Cost of running commercial properties	-	69,470	-	50,281	119,751	30,690	13,312	678	164,431
Interest on borrowings	-	-	-	88,381	88,381	-	-	-	88,381
Relief of need	88,589	9,015	599,888	20,408	717,900	103,679	72,564	2,290	896,433
Provision of accommodation	59,471	44,643	-	101,689	205,803	15,569	6,752	344	228,468
Governance	-	-	-	36,013	36,013	6,076	5,793	134	48,016
	<u>171,780</u>	<u>123,128</u>	<u>599,888</u>	<u>402,626</u>	<u>1,297,422</u>	<u>238,288</u>	<u>157,461</u>	<u>5,263</u>	<u>1,698,434</u>

7 Net incoming/(outgoing) resources for the year

The net incoming/(outgoing) resources for the year are stated after charging:

	2013 £	2012 £
Depreciation and amounts written off tangible fixed assets	128,329	133,840
(Profit)/Loss on disposal of fixed assets	(91,000)	17,521
Amounts paid to auditors - audit	10,000	10,000
- other services	10,349	6,500
Hire of equipment	2,531	2,974
	<u>28,179</u>	<u>170,835</u>

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

8	Staff costs	2013 £	2012 £
	The average monthly number of persons employed by the Society during the year was:	Number	Number
	Office management and welfare	10	13
	Staff costs (for the above persons)		
	Wages and salaries		
	- own employees	334,411	307,945
	- temporary staff	6,433	4,982
		340,844	312,927
	Social security costs	35,595	34,536
	Other pension costs	25,747	30,103
		61,342	64,639
	Health and other staff benefits	7,882	14,200
		410,068	391,766
	The number of staff paid over £60,000 in the year is as follows:		
	Between £60,000 and £70,000	1	-
	Between £70,000 and £80,000	-	1
		1	1

Pension contributions in respect of the higher paid employee were £2,426 (2012 - £7,263).

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 2012	2,570,473	4,419,470	243,593	37,954	7,271,490
Additions	-	123,483	736	-	124,219
Disposals	(1,993,683)	-	(60,154)	-	(2,053,837)
Transferred to current assets	(275,862)	(126,540)	-	-	(402,402)
At 30 September 2013	300,928	4,416,413	184,175	37,954	4,939,470
Depreciation					
At 1 October 2012	616,599	638,735	187,030	15,024	1,457,388
Charge for year	36,788	76,057	5,996	9,488	128,329
Disposal	(593,412)	-	(49,014)	-	(642,426)
Transferred to current assets	(28,569)	(45,728)	-	-	(74,297)
At 30 September 2013	31,406	669,064	144,012	24,512	868,994
NBV at 30 September 2013	<u>269,522</u>	<u>3,747,349</u>	<u>40,163</u>	<u>13,442</u>	<u>4,070,476</u>
NBV at 30 September 2012	<u>1,953,874</u>	<u>3,780,735</u>	<u>56,563</u>	<u>22,930</u>	<u>5,814,102</u>

The net book value at 30 September 2013 represents fixed assets used for:

Generating funds	-	3,387,159	28,605	-	3,415,764
Charitable activities	269,522	360,190	11,558	13,442	654,712
Governance	-	-	-	-	-
	<u>269,522</u>	<u>3,747,349</u>	<u>40,163</u>	<u>13,442</u>	<u>4,070,476</u>

Upon adoption of Financial Reporting Standard 15, the company has taken advantage of the transitional arrangements with regard to freehold and long leasehold property previously revalued.

Leasehold property acquired prior to 30 September 1986 was revalued to £60,000 and revaluations have not been subsequently updated. Later property additions have been included at cost

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

10 Fixed asset investments

	Investment properties £	Quoted investment equities and unit trusts £	Cash £	Total £
Market value				
At 1 October 2012	3,395,000	12,202,640	115,344	15,712,984
Additions	-	2,467,338	-	2,467,338
Disposals	-	(3,130,851)	-	(3,130,851)
Net unrealised investment gains	-	1,248,843	-	1,248,843
Net movement in the year	-	-	213,517	213,517
At 30 September 2013	<u>3,395,000</u>	<u>12,787,970</u>	<u>328,861</u>	<u>16,511,831</u>
				2013 £
Historical cost of quoted investments				<u>11,338,013</u>

There were no investments in individual entities held at 30 September 2013 which are considered material in the context of the market value of the portfolio.

All investment assets are held in the United Kingdom.

Investment properties have been valued as at 30 September 2012 on an open market value basis using an informal valuation carried out by HNG Chartered Surveyors. The historic cost of investment properties is £2,569,353. The trustees have reviewed the value as at 30 September 2013 and do not consider it to have changed.

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

11 Programme related investments

	2013 £	2012 £
The charity makes interest free loans to its beneficiaries		
Loans to beneficiaries		
At 1 October 2012	1,147,347	1,005,348
Loans made in year	171,651	172,658
Loans written off in year	(3,879)	(556)
Loans repaid in the year	(53,101)	(30,103)
At 30 September 2013	<u>1,262,018</u>	<u>1,147,347</u>
Provision against loans		
At 1 October 2012	960,197	909,028
Provisions against loans written off	(3,879)	(556)
Increase in provision in the year	69,820	51,725
At 30 September 2013	<u>1,026,138</u>	<u>960,197</u>
Net balance	<u>235,880</u>	<u>187,150</u>

Total of these loans that were secured at 30 September 2013 was £430,725 (2012: £393,866).

12 Debtors

	2013 £	2012 £
Income tax recoverable	12,888	10,950
Other debtors	34,864	52,615
Prepayments and accrued income	43,746	57,031
	<u>91,498</u>	<u>120,596</u>

13 Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loan	776,386	2,230,701
Other tax and social security	8,054	18,139
Other creditors	46,413	18,941
Accruals and deferred income	78,724	123,644
Service charge account	4,106	12,612
	<u>913,683</u>	<u>2,404,037</u>

The bank loan with C Hoare & Co is repayable upon demand. Interest is payable at a rate of 1.25% above bank base rate, calculated on a daily basis.

ARCHITECTS BENEVOLENT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

14 Permanent endowment fund

Sawyer Benevolent Fund

The Sawyer Benevolent Fund is a registered subsidiary charity of the Architects Benevolent Society and is the only permanent endowment that the charity administers. At 30 September 2013 the value of the fund amounted to £602,579 (2012: £535,591).

Under the terms of the trust the annual income of the fund, which is recorded as a restricted fund in the Statement of Financial Activities on page 28 of the accounts is to be applied for the relief of such twenty old retired Architects in poor circumstances as the trustees shall from time to time select.

15 Unrestricted funds

	Current fund £	Long Term Fund -Investment and property fund £	Total £
At 1 October 2012	261,489	18,660,266	18,921,755
Net movement in funds	(265,992)	1,088,783	822,791
Fund transfers	633,685	(633,685)	-
At 30 September 2013	<u>629,182</u>	<u>19,115,364</u>	<u>19,744,546</u>

The Current Fund represents short terms funds for the day to day operation of the Society.

The Investment and Property Fund is part of the Long Term Fund of the Society and represents assets held for the ongoing operational requirements of the Charity. It is equal to the carrying value of the investments and freehold and leasehold properties net of bank finance.

Transfers between the funds have been made to ensure that they give an accurate reflection of the assets they represent at the balance sheet date and represents capital realised in the year.

ARCHITECTS BENEVOLENT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

16 **Analysis of net assets between funds**

	Endowment fund £	Current fund £	Long term fund £	Total funds £
Fund balances at 30 September 2013 are represented by:				
Tangible fixed assets	-	53,604	4,016,872	4,070,476
Investments	636,953	-	15,874,878	16,511,831
Programme related investments	-	235,880	-	235,880
Current assets	(34,374)	476,995	-	442,621
Current liabilities	-	(137,297)	(776,386)	(913,683)
Total net assets	602,579	629,182	19,115,364	20,347,125

Unrealised gains/(losses) included above:

On tangible fixed assets - revaluation reserve	-	-	60,000	60,000
On investment assets	66,594	-	2,209,010	2,275,604
Total unrealised gains at 30 September 2013	66,594	-	2,269,010	2,335,604

	Tangible fixed assets £	Investment assets £	Total £
Reconciliation of movements in unrealised gains			
Unrealised gains/(losses) at 1 October 2012	60,000	1,604,079	1,664,079
Realised on disposal in the year	-	(577,716)	(577,716)
Net gains arising on revaluation in the year	-	1,249,421	1,249,421
Unrealised gains at 30 September 2013	60,000	2,414,871	2,335,604

17 **Trustees expenses**

No Trustees received any remuneration for their services, however travel and out of pocket expenses incurred in their work were reimbursed. The total amount of expenses reimbursed to Trustees, non-Trustee committee members and branch representatives was £8,993 (2012: £6,949). Trustee indemnity insurance of £900 is included in head office costs.