

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



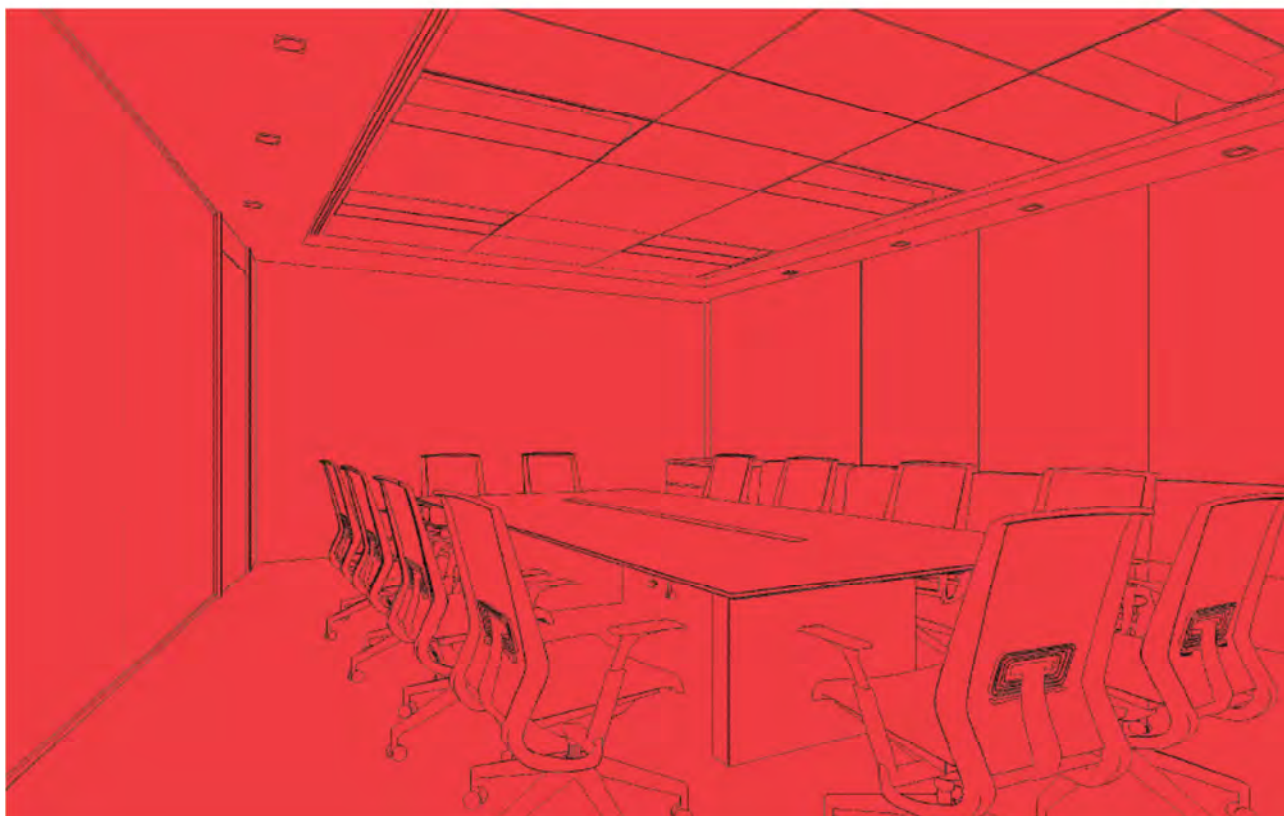
ARCHITECTS BENEVOLENT SOCIETY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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Architects Benevolent Society

Company information

Chief Executive
External Relations Manager
Welfare Officers

Robert Ball
Katie Vivian
Helen Stanley
Aidan Cullen

Company number

1084747

Charity number

265139

Registered office

43 Portland Place
London W1B 1QH

Independent auditors

Saffery Champness LLP
71 Queen Victoria St
London EC4V 4BE

Bankers

C Hoare and Co
37 Fleet Street
London EC4P 4DQ

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Investment Managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Investec Wealth and Investment Limited
30 Gresham Street
London EC2V 7QN

Solicitors

Bates Wells and Braithwaite
10 Queen Street Place
London EC4R 1BE

Hunters
9 New Square, Lincoln's Inn
London WC2A 3QN

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 (continued)

OFFICERS OF THE SOCIETY

Patron	His Royal Highness The Duke of Gloucester KG GCVO
President	Angela Brady OBE PPRIBA
Vice Presidents	Kenneth Bingham RIBA Brian Lingard DA FRIBA
Chair	Dr Geoffrey Purves BA BArch RIBA FRIAS MCI Arb
Vice Chair	Ronnie McDaniel Dip Arch (Sheff), FRIBA
Honorary Secretary	Chris Goodall RIBA
Honorary Treasurer	Dr Geoffrey Purves BA BArch RIBA FRIAS MCI Arb

PRESIDENT OF THE SOCIETY

ANGELA BRADY OBE



It has been a busy year for the ABS and 2017 promises to be just as hectic. It is brilliant that there are so many people and firms helping the ABS raise awareness and raise the much needed charity funds like on our Chicken Run. The ABS reaches out to our colleagues and friends in our professions who are in need of financial help, for those many people who have had the misfortune of an illness or fallen on hard times. Our team at ABS are there to listen and advise and help colleagues back on their feet again.

It is often at political times of change and uncertainty that our professions of architects, landscape architects and architectural technologists around the UK are most affected. I hope that the ABS can help more people this year, particularly in areas such as mental health, which is often caused by over stressful work lives at times of financial difficulty. Our team needs to be able to advise people in good time to get them the mental health advice they need too. I want to thank all of our wonderful supporters who have signed up to help the ABS and also thank our fantastic dedicated team for doing such a great job.

Architects Benevolent Society

Company information (continued)

MEMBERS OF THE COUNCIL

John Assael	
Kenneth Bingham	
Richard Brindley	(Appointed October 2015)
Anthony Clerici	
Lelia Dunlea-Jones	
Janet Dunsmore	
William Evans	
Chris Goodall	
Mark Grzegorzczuk	(Appointed October 2015)
Angus Kerr	(Appointed October 2015)
Brian Lingard	(Resigned June 2016)
Ronnie McDaniell	
John Moakes	(Appointed February 2017)
Lucy Mori	
Colin Morse	(Resigned June 2016)
Geoffrey Purves	
Karen Rogers	
Stella Saunders	
Freni Shroff	
Malcolm Sinclair	(Resigned October 2015)
Marjorie Smith	(Died October 2015)
Nigel Thorne	(Appointed June 2016)
Kathy Thurman	(Appointed June 2016)
Hugh Woodeson	
Tom Young	

In accordance with Articles 25.2 and 25.4, at every Annual Meeting one fifth, or the number nearest to one fifth of the Trustees, being those who have been longest in office since their last appointment or reappointment, must retire from office. Retiring Trustees may be reappointed but a Trustee who has served for two consecutive terms of office must take a break from office before being eligible for (re)appointment.

Architects Benevolent Society

Committees of the Council

The Council is the governing body of the Society but most of the task focused 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 Committees remain accountable to Council and can only exercise the powers delegated to them in writing. 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 (Chair) Lelia Dunlea-Jones Chris Goodall Terry Hopegood* Angus Kerr Keith Robinson* Freni Shroff
Executive Committee:	Chris Goodall (Hon Secretary and Chair) John Assael Kenneth Bingham Janet Dunsmore Ronnie McDaniel Geoffrey Purves Freni Shroff
Finance and Property Advisory Committee:	Geoffrey Purves (Chairman) Chris Goodall Simon Still* Hugh Woodeson
External Affairs Committee	Ronnie McDaniel (Chair) Kenneth Bingham Ant Clerici Chris Goodall Lucy Mori Geoffrey Purves Karen Rogers

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

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

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 2016.

Structure, Governance and Management

Structure

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

Becoming a Trustee 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 wider architectural profession. All Trustees of the Society are entitled to attend, to speak and to vote at General Meetings.

Governance

Trustees of the Society are the only Members and all Trustees become a Member of Council on appointment as a Trustee. The Council is the governing body of the Society and as well as being Members of the Council, Trustees are also Directors of the Company for the purposes of company law. In accordance with Articles 25.2 and 25.4, at every Annual Meeting one fifth, or the number nearest to one fifth of the Trustees, being those who have been longest in office since their last appointment or reappointment, must retire from office. Retiring Trustees may be reappointed but a Trustee who has served for two consecutive terms of office must take a break from office before being eligible for (re)appointment. The Society encourages the appointment of trustees from disciplines other than the wider architectural profession 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 familiarisation for the first year of trusteeship and Council as a whole is provided with refresher governance training on a regular basis.

The Society's Articles of Association were comprehensively reviewed during 2014-15, in consultation with the Society's solicitors, Bates Wells Braithwaite. This review culminated in revised Articles of Association being adopted at the Annual General Meeting in June 2015.

The composition of the Council is set out on page 4. The Chief Executive of the Society is directly responsible to the Council in the execution of his duties.

Management

Most of the task focused 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 visits to 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. 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.

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

Decision making

The Society's decision making policies and procedures are detailed in 'Council General Instructions.' This document, which is reviewed by Council on a regular basis, sets out the responsibilities and delegated decision making powers of the Committees and, where appropriate, members of staff. Financial levels of authority are set out in the Society's 'Financial Management Policy,' which was introduced during 2015 and sets out the correct authorisation of expenditure by detailing the authorised persons and financial limits laid down within the Charity. Revisions, amendments or alterations to the policy can only be implemented following consideration and approval by Council.

Relationships

Following the adoption of the revised Articles of Association in June 2015, the Society is actively seeking to improve its relationships with the various organisations which represent the wider architectural profession and in order to ensure the work of the Society is effectively communicated to all eligible persons at national and regional level. This work is essential in helping to make members of the wider profession aware of the help that the Society can offer and also to assist with income generation.

The Society has informal but increasingly 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 the Professionals Aid Council, the Association of Charitable Organisations, the Fundraising Regulator and the Institute of Fundraising.

Risk Management

The Society commenced a full review of risk management during 2016. Top ranked risks are reviewed at every meeting of both the Executive Committee and Council during the year, with all other risks included in the Risk Register reviewed on an on-going cyclical basis by the Executive Committee and Council to ensure they are kept under continuous assessment. The Risk Register identifies each individual risk factor, probability and impact, control steps and where responsibility lies for managing and monitoring the risk. Where necessary, action points are identified and communicated to the individual or group responsible to ensure steps are taken to mitigate the risk.

Objects and Activities

Objects

The main objects set out at the first meeting of the Society on 27 November 1850 remain much 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 spouses, civil partners, widows, widowers, surviving civil partners, 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, for a reasonable period in the past, worked in the United Kingdom, the Channel Islands or the Isle of Man as an architect (including landscape architect but excluding naval architect) or as an architectural assistant or technologist or in such other capacity within the profession which is considered appropriate.

Public benefit

The Architects Benevolent Society is a registered charity whose charitable purpose defined within the Charities Act 2011 is for the relief of poverty. The Society provides public benefit through financial help and other assistance to past and present members of the wider 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

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

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 wider 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.

Objectives for the year

During the course of 2016 the Society introduced a more focused strategic approach to helping those persons in necessitous circumstances, principally through the relief (and prevention) of poverty. The main objectives have been identified, along with the desired outcomes and the activities necessary to achieve them.

Key objectives include continuing to build on efforts to increase awareness of the Society's work throughout the profession, with a view to ensuring that those in need are aware of the help available and also to increase voluntary income. Increased focus has been placed on the quality and range of services the Society can offer, above and beyond the very great assistance already provided. A Working Group has been set up with the remit of looking to build strong programmes and partnerships with other organisations which are often better placed to give the direct support to those in need, as well as working towards closer collaboration with the various professional membership organisations serving the wider architectural profession. Additionally, attention is being given to identifying both the current and future challenges to members of the profession, in order to ensure the Society remains relevant and continues to help those who need it most.

Strategies

As detailed above, raising awareness remains the key strategy for both income generation and most importantly for ensuring that those who need help know where to find it. This has always been a challenge in that, unlike many other benevolent funds where the related profession is often closely linked to a single professional body, there are a number of professional bodies serving the wider architectural profession. Trustee representatives of the RIAS, CIAT and the Landscape Institute now sit on the Society's Council and greater working relationships have followed, resulting in improved communication with their members. Efforts continue to establish similar links with the RIBA, RSUA and RSAW. Effective communication is essential to all of the Society's activities and improving how we communicate at all levels will continue to be a key part of the strategic approach. Social media usage has increased and the Society's new website has helped moved things forward, but other forms of communication are just as important, from printed materials through to the face to face approach, something the Society sees as being as important as ever in raising awareness throughout the UK.

Voluntary work

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 and even time during the working day to assist in this way. Efforts continue 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.



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 each case is reviewed at least once every twelve months and increasingly more frequently than that. During the year the Society expended close to £1,000,000 on the relief of poverty from both restricted and unrestricted funds, only slightly below the previous year which was a record high.

Assessment of need is based on the Minimum Income Standard for the United Kingdom, a major programme of work funded by the Joseph Rowntree Foundation and regularly reporting on how much income households need to afford an acceptable, minimum standard of living. Grants are made to those who need help on a regular basis and gifts are provided for specific essential needs that a person or family would otherwise be unable to afford and where these may not best be met by the provision of a monthly grant. 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 most 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 and the help and comfort the Welfare Officers provide is often the most valuable support that the Society can give to those who are in real distress.

The Welfare Officers keep up to date with the latest information on state benefits, an increasingly challenging task with the on-going major changes to the benefits system. These changes are particularly affecting people of working age, but some of the changes are also affecting older people.

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 Chair of the Case Committee who is authorised to agree urgent applications for financial help between committee meetings.

482 separate cases were helped during 2015-16

*

Of these, **264** received direct financial assistance and the remainder pastoral care and advice or other types of assistance

*

29 new cases were given financial help during the year

*

Sadly **20** of our beneficiaries have died during the year

*

48 others, along with their dependants, are no longer in need of assistance and are able to manage on their own.

*

Taking into account children, spouses and other dependants of beneficiaries, the Society helped

647 individuals during 2015-16

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

The Society helps people of all ages and for a variety of reasons, sometimes due to freak incidents that can strike out of nowhere.

Thomas's story

"My name is Thomas. I'm a landscape architect, renting a flat in South East London, with over 15 years' work experience, and have never been unemployed during that time. So why would I need to ask the Architects Benevolent Society for help?"

Just when life seems good, fate can really turn round and kick you in the teeth. That's what happened to me. And it could happen to any one of us, which is why it's very reassuring to know that as professionals who work in the built environment, we can turn to the Society for help when we need it.

So, what happened to me?



On May Bank Holiday, a bike ride with my friend Petor started like any other but ended in disaster. We had been mountain biking all morning and planned to stop for lunch after one final red route. Not far in, I hit a tree root, was catapulted over the handlebars, and went skidding down the ravine face down.

As Petor caught up with me, he could see that my back wasn't the shape it was supposed to be! I had fractured my spine. Everything was a bit of a blur. I was told later that it took nearly two hours to get me out of the ravine as the ambulance couldn't reach me and I had to be transported on an inflatable stretcher on the back of a pick-up truck to the ambulance.

I contacted the Society from hospital, and reeled off problem after problem to Aidan, the welfare officer. He was able to help me think clearly about one thing at a time and was incredibly supportive.

When I was discharged from hospital after a week, I needed help with daily care including eating and drinking because of the injuries to my face. I was wearing a back brace, was in a lot of pain, and couldn't manage the daily challenge of the stairs up to my flat. So I went to stay with my mum in Devon. I wasn't sure how I was going to get there, but the Society stepped in by covering my travel expenses and helping find suitable transport.

I am basically a cycling nut and I haven't stopped cycling since my uncle took the stabilisers off my bike when I was a kid. In fact, I did a fundraising bike ride for the Architects Benevolent Society three years ago, cycling the last stage of the P2P (Portland in America to Portland Place in London) with Peter Murray and the gang.

I used to cycle 60-70 miles a week, something I can't do now and which I really miss. Cycling made me happy, and my social life was based around bikes. The accident knocked out my entire life for a while; it was a crushing experience.

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

The physical and emotional impact of this accident was compounded by the fact that I was due to start a new job two days after I fractured my spine. It couldn't have been any worse. There was some financial help from my employer through statutory sick pay. However, this was not enough to cover my rent and living expenses so the Society gave me a regular grant for a few months.

I'm not sure what would have happened to me without this support. Knowing that I didn't have to worry about my financial situation was such a relief and meant that I could focus on my physical and mental recovery.

Like many people in my circumstances, I probably wouldn't have been eligible for financial support from the state and even if I had, it would have taken ages to sort out and I needed immediate help, which the Society was able to give.



I really am hugely thankful to them for supporting me get back to work and become a productive member of society again. The financial help was great, but just knowing that there was someone there to offer advice and support really helped me out during a lonely time".



Thomas Steven

Architects Benevolent Society

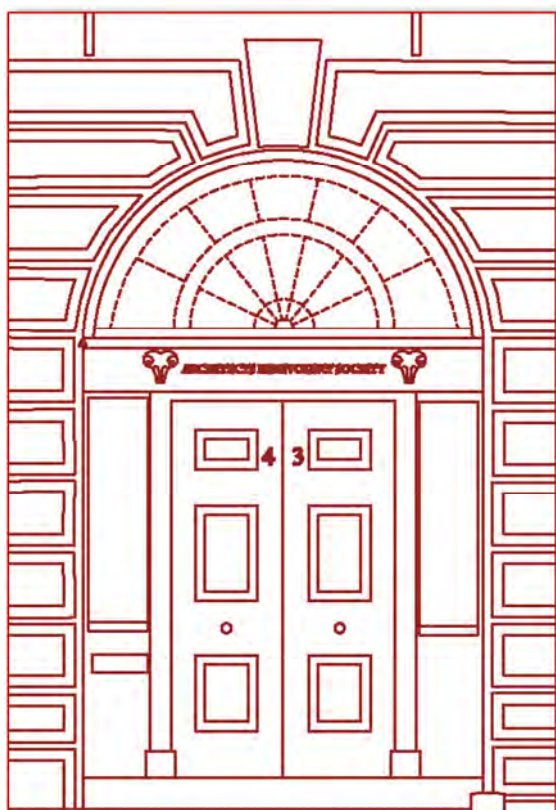
Report of the members of the council For the year ended 30 September 2016

Executive Committee

Chaired by the Hon. Secretary Chris Goodall, the Executive Committee is responsible for advising Council on a wide range of the Society's activities and it has delegated power to act on behalf of Council when that should be necessary, its decisions being submitted to the following Council meeting. The Committee 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.

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 Committee instigated a full review of risk during the year, the result being the decision to review risk on an on-going basis at all meetings of the Committee, with every individual risk being assessed at least once every two years. The Committee also introduced a more structured approach to considering and implementing strategic goals and objectives in each 12 month period as well as over the longer term.

Additionally a formal remuneration policy was implemented, helping to ensure that staff salaries are reviewed against agreed market benchmarking tools and introducing the following principles: that no member of staff will be paid more than 4 x the salary of the lowest earner; we will pay no less than the London Living Wage to all of our staff; we will not employ interns without pay.



Finance and Property Advisory Committee

Chaired by the Hon Treasurer Geoffrey Purves, this Committee is comprised of members with financial, investment, legal and property expertise. It reports to the Executive Committee and liaises directly with the Society's investment managers. Each quarter full portfolio valuation 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 Investment Policy Statement.

The performance of investments during the year was again encouraging, despite another challenging year for investment markets. Following two years of reduced income, the performance of the Society's principal property asset had now stabilised, meaning that the Committee was able to place an increased focus on the future and looking at how to ensure that all of the Society's assets were producing the best possible returns, in order to continue to fund the higher than ever cost of the relief of poverty in the wider architectural profession.

The Committee had also overseen the introduction of improved accounting procedures at the Head Office, with a view to upgrading financial reporting at all levels and helping to ensure regulatory compliance following a number of changes to the statutory reporting requirements for charities.

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

External Affairs Committee

This committee, chaired by the Vice Chair Ronnie McDaniel, embraces all activities related to awareness raising and fundraising. Its purpose is to help promote the Society and its activities to the wider architectural profession and it advises on all publicity and fundraising matters.

A new External Relations Manager had started towards the beginning of the year and, working with the rest of the staff team and overseen by the Committee, a great deal of time and effort had gone into producing a fully developed fundraising strategy. It was hoped that this would help the Society to maximise voluntary income and crucially to raise awareness of the Society at all levels of the wider architectural profession throughout the UK.

Fundraising regulation had been in sharp focus during the year and the Committee considered all fundraising activity reports in that light, as well as receiving regular reports as to the performance of the staff team and income and expenditure.



Pollard Thomas Edwards had again organised the ABS Chicken Run in 2016, another very successful day bringing together members of the profession from all over the UK and this year including the Society's President, Angela Brady and also Peter Murray of New London Architecture.



“Angela Brady and Peter Murray with the Team Award winners, Bennetts Associates – organisers of the 2017 Chicken Run!”

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

The organisers at Pollard Thomas Edwards again this year were Peter Watkins and Tim Metcalfe and for their huge contribution they were the voted as the winners of the 2016 WCCA award for fundraising on behalf of the Society. This year's award was designed by Mike Stiff of Stiff + Tevillion



Award designer Mike Stiff with Peter Watkins and Tim Metcalfe

Fundraising

The Society has a Fundraising Strategy focusing on five strategic aims; to broaden our audience base; to maximise the capacity of the fundraising team; to build the diversity of our income sources; to focus on our donors and to hone our case for support. The Society employs three members of staff to fundraise for the charity comprising External Relations Manager, Supporter Relations Officer and Communications Officer.

The Society adopts relationship fundraising as its approach to generating sustainable income, which means that building long term relationships with our supporters is central to our strategy. Voluntary income is received from corporate/organisation donors and individual donors through regular and one off donations, external events and legacies. The Society does not use professional fundraisers but we have a commercial participator agreement with the organiser of our annual bespoke fundraising event 'The Chicken Run'. The organiser is a different practice each year, and all proceeds after event costs are donated to the charity, along with any sponsorship.

The Society is an organisational member of the Institute of Fundraising and is registered with the Fundraising Regulator. This demonstrates a commitment to openness and honesty in our fundraising practice, and enables us to keep up to date with current legislation, including any changes to the Fundraising Code of Practice. It also gives us access to resources and training, ensuring that staff and trustees are equipped with the skills and knowledge to carry out fundraising responsibly and effectively. The External Relations Manager reports quarterly to the External Affairs Committee, where performance is monitored. The Board of trustees at the Society (the Council) also receives legal updates and information relating to the implementation of the fundraising strategy.

During 2015-16, two complaints were received relating to direct mailings being received which were not wanted as the content was deemed not to be relevant to the recipients. No complaints about conduct or practice were received.

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

Staff are kept informed of fundraising legislation updates through the Institute of Fundraising and the monthly Fundraising Regulator newsletter to ensure they are aware of best practice, data protection and protection of the public from unreasonable intrusive or persistent fundraising approaches. There are systems in place to flag up to staff when a donor should not be contacted for reasons such as ill health, disability or changes in their financial situation.

Appointments

A warm welcome is extended to Kathy Thurman and Nigel Thorne who were appointed as trustees in June 2016 and John Moakes who was appointed in February 2017.

Kathy Thurman is the new ABS trustee representative of CIAT and Nigel Thorne of the Landscape Institute.

Retirements

The Society would like to say thank you to Brian Lingard and Colin Morse, both of whom retired as trustees in June 2016.

Brian Lingard is a former Chair of the Society, having served in that capacity between 1988 and 1992. In 2002 he was appointed as a Vice President and is continuing to attend Council meetings for the final year of his 15 year term. He was a trustee for 37 years.

Colin Morse's first involvement with the Society was 67 years ago in 1950 when he helped to organise a small local Ball in Guildford on the Society's behalf. He subsequently became a Trustee in 1976, serving in that capacity for a total of 40 years.



Brian Lingard



Colin Morse

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

Financial Review

Incoming resources Money from donations and gifts totalled £182,084 compared with £163,967 for 2014-15, demonstrating that the gradual decline in regular income from individuals had begun to turn.

Legacy income increased to £326,690 during the current year compared with £197,572 in 2014-15, continuing the recent positive trend upwards. The Society is very grateful to all those who have left legacies and the list of those who have been so generous during the year is below.

Income from commercial property increased to £564,121 compared with £410,011 in 2014-15, a very positive increase and despite not having a fully occupied building at 43 Portland Place throughout the year.

Income from sheltered housing was £19,020, a small increase from £18,970 the previous year.

Investment income increased to £311,539 compared with £283,114 in 2014-15. Although a positive sign, the focus would continue to be on total return performance in line with the new investment policy statement, placing less importance on income performance.

Resources expended

Costs of generating funds Fundraising costs this year totalled £261,135 compared with £277,406 in 2014-15, the decrease in part due to one off costs incurred the previous year as part of the head office reduction in space occupied.

The cost of running the commercial properties decreased from £86,396 in 2014-15 to £71,775 in the current year.

Charitable Expenditure The Society's overall charitable expenditure in 2015-16 totalled £975,968 compared with the £1,054,733 expended the previous year, an decrease of £78,000.

Net expenditure

The Society's net expenditure for the year before transfers and investment gains was a surplus of £17,311, a significant change of nearly £440,000 on the previous year when there was a deficit of £422,000.

Investments

The level of the investment portfolios at 1 October 2015 was £11,692,344 and at 30 September 2016 stood at £13,248,459.

Market Value of Land and Buildings

43 Portland Place, purchased in July 2003 and 9 Weymouth Mews, purchased in 2007-8, are included within investment properties and were valued as at 30 September 2016 on an open market value basis using an informal valuation carried out by HNG Chartered Surveyors. The historic cost of the investment properties is £7,408,947. Further residential properties in Guildford, East Horsley and Norfolk were acquired during 2007-8 and all are shown in the accounts at cost with depreciation as necessary.

Legacies

All income from legacies is invested to produce a long term return. 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 detailed below is greatly appreciated.

Architects Benevolent Society

Report of the members of the council For the year ended 30 September 2016

Legacies received during 2015-16 were:

Mrs Ruth Eve	£1,000
Mr Lawrence Baker	£100,000
Mrs Florence Ogden	£38,334
Mr Ronald Knight	£3,636
Mr Frank Saunders	£40,625
Mr Alec Leifer	£1,000
Mr Ian Wells	£135,074
Mr John Lane	£2,500
Mr William George	£5,000



Transforming Lives

Please consider making a gift to the Architects Benevolent Society in your will. It would be a wonderful way to help members of the wider architectural profession and their families to overcome unexpected difficulties.

To find out how you could make a lasting gift please contact us on **020 7580 2823** / **lastinggifts@absnet.org.uk** or write to us at 43 Portland Place, London, W1B 1QH

Report of the members of the council (continued)
For the year ended 30 September 2016

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 continuing cuts to state benefits which often affect those already suffering financial insecurity. It is further the stated intent of Council to increase awareness of the Society's work within the wider architectural profession. If successful, it is expected that this will lead to a further increase in calls for help. The new Reserves Policy that will be adopted on 14 June 2017 therefore includes a continued commitment to maintain a stable level of investment capital in the medium to long term to ensure that the Society will be in a position to continue its important work in the future.

Reasons for reserves

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 Articles of Association, particularly when the capital value of investments is falling.

The Society supports approximately 650 needy people each year and total annual expenditure at present stands at £1.39 millions per annum.

This expenditure is met from four main sources:

Voluntary income. The Society is seeking to increase voluntary income over the medium term but, in the shorter term, not more than circa £200,000 per annum can be counted on with certainty from donation and gifts. From 1 October 2010 legacies have been invested.

With the exception of the income from the Sawyer Fund, which is expended on helping retired architects in need, income from investments is re-invested as part of the Total Return strategy as detailed in the Society's Investment Policy Statement.

Income from commercial properties. Circa £560,000 per annum currently.

Sales of investments. Crucial to make up the shortfall to meet annual expenditure.

The Society reviewed its investment strategy in June 2014 and the revised Investment Policy Statement introduced a new Total Return strategy to ensure the Society could continue to support members of the wider architectural profession in need during periods of economic uncertainty, as well as at other times.

With regards to liquidity, the Investment Policy Statement ensures that the Society's investments are not tied into long term funds, meaning that the Society is able to realise investment assets quickly and in addition to the free reserves target detailed below.

The Society wishes to maintain a balance of free reserves in the Current Fund at an average of £400,000, a level sufficient for the Society to continue to operate and fulfil its obligations for a period of three months. At 30 September 2016 the Current Fund stood at £694,394.

Range of reserves required

Direct financial assistance given to beneficiaries has been gradually increasing since 2005 and it is anticipated that calls on the Society will be greater still in the medium to long term, particularly due to demographic changes which mean that a significantly increased proportion of the population will be of retirement age and also the government's continuing cuts on state benefits. The Trustees are of the opinion that the Society's outgoings will continue to rise for the foreseeable future.

Report of the members of the council (continued)
For the year ended 30 September 2016

Proposed action to achieve and maintain 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 and gifts. Regular voluntary income did increase during 2015-16 and it is hoped that voluntary income will continue to rise in future years as awareness of the Society's work increases. Commercial income has now stabilised and a more formalised strategic review process has been introduced to help and ensure the Society's assets are fully utilised in furthering the charitable objectives, also to look at expanding the services the Society offers and how these services will be funded.

As stated above, in 2013-14 the Trustees agreed a new Investment Policy Statement in order to help determine the long term strategy and risk profile, with less emphasis placed on investment income. The new policy has set a clear, medium term, Total Return target for the Society's investment managers, the intention being to ensure that both reserves are maintained and short term cash requirements are readily available.

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 when the preliminary accounts for the previous year are available for examination, and once the accounts have been approved. Any changes recommended are minuted and submitted to the following meetings of Council for formal approval of the Trustees.

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).

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.

Architects Benevolent Society

Report of the members of the council (continued) For the year ended 30 September 2016

The Trustees 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 around the UK

The Society is most grateful to all those who work in raising awareness and in fundraising activities and sponsorship throughout the UK and in the many institutions and organisations representing the wider architectural profession. The Society 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 Society and its work.

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

Aberdeen Society of Architects
Architects Journal
Bradshaw Gass Trust
Broad Oak Trust
CIAT
Glasgow Institute of Architects
Plymouth Architectural Trust
Pollard Thomas Edwards
RIAS
RIBA
RIBA Bristol & Bath Branch
RIBA Colchester Branch
RIBA South West
RIBA Yorkshire
RSUA
Stirling Society of Architects
The Association of Jersey Architects
The J S Trust
Twigg (Trust)
Worshipful Company Of Chartered Architects

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. Special thanks for their efforts during 2015-16 go to the RIAS for their continued and exceptional on-going support and also Pollard Thomas Edwards for their great efforts in organising the ABS Chicken Run once again in 2016.

Our professional advisers for their continuing guidance and support throughout 2015-2016

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.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

By order of the Board

Robert Ball
Chief Executive

2017

**Independent auditors' report to the members
For the year ended 30 September 2016**

We have audited the financial statements of Architects Benevolent Society for the year ended 30 September 2016 set out on pages 25 to 45. 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), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members and the Council members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Council members 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 charitable company, the charitable company's members and Council members 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 Responsibilities of members of Council, the Council members (who are also the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the members of Council 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 charitable company's affairs as at 30 September 2016 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.

Independent auditors' report to the members (continued)
For the year ended 30 September 2016

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Report of the members of Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 charitable company 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 charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council members were not entitled to prepare the Report of the members of Council in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing a Strategic Report.

Lorenzo Mosca (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

.....2017

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Architects Benevolent Society

Statement of financial activities For the year ended 30 September 2016

	Notes	Unrestricted Funds Current fund	Long term fund	Endowment fund	Restricted fund	Total 2016	Total 2015
		£	£	£	£	£	£
Income and endowments from:							
Donations and gifts		182,084	-	-	-	182,084	163,967
Legacies		326,690	-	-	-	326,690	197,572
Other income							
Commercial rent receivable		564,121	-	-	-	564,121	410,011
Investments	4	287,076	-	-	24,463	311,539	283,114
Charitable activities:							
Residents of sheltered housing		19,020	-	-	-	19,020	18,970
Total income and endowments		1,378,991	-	-	24,463	1,403,454	1,073,634
Expenditure on:							
Raising funds:							
Fundraising		265,135	-	-	-	265,135	277,406
Investment management costs		69,675	-	3,590	-	73,265	73,857
Costs of running Commercial Properties		53,959	17,816	-	-	71,775	86,396
Interest on borrowings		-	-	-	-	-	3,238
		381,785	17,816	3,590	-	410,175	440,897
<i>Charitable activities</i>							
Relief of poverty	5	931,559	-	-	24,463	956,022	1,028,273
Provision of accommodation		14,921	5,025	-	-	19,946	26,460
Total expenditure	7	1,335,249	22,841	3,590	24,463	1,386,143	1,495,630

Architects Benevolent Society

Statement of financial activities (continued) For the year ended 30 September 2016

		Unrestricted Funds		Endowment fund	Restricted fund	Total 2016	Total 2015
	Notes	Current fund	Long term fund				
		£	£	£	£	£	£
Net income/(expenditure) before transfers and investment gains		43,742	(22,841)	(3,590)	-	17,311	(421,996)
Net gains/(losses) on investments		-	1,414,940	58,442	-	1,473,382	336,683
Net income/(expenditure)		43,742	1,392,099	54,852	-	1,490,693	(85,313)
Gain/ (loss) on revaluation of fixed assets		-	-	-	-	-	2,880,767
Net movements in funds		43,742	1,392,099	54,852	-	1,490,693	2,795,454
Fund balances brought forward at 1 October 2015 as restated		650,652	30,597,182	638,620	-	31,886,454	29,091,000
Fund balances carried forward at 30 September 2016	16	694,394	31,989,281	693,472	-	33,377,147	31,886,454

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.

The notes on pages 30 to 45 form part of these financial statements.

Architects Benevolent Society

Summary income and expenditure account As at 30 September 2016

	2016 £	2015 £
Total income	1,403,454	1,073,634
Total expenditure	(1,382,553)	(1,495,630)
Net gains/(losses) on investments	1,414,940	3,202,100
Net income/(expenditure)	1,435,841	(421,996)

Total income comprises £1,378,991 for unrestricted funds and £24,463 restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure comprises £1,358,090 for unrestricted funds and £24,463 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 pages 25-26 which together with the notes to the financial statements on pages 30-45 provide full information on the movements during the year on all the funds of the Society.

Architects Benevolent Society

Balance Sheet As at 30 September 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	10	1,293,353		1,322,971	
Investments	11	31,578,126		30,009,421	
Programme related investments	12	607,330		633,944	
			33,478,809		31,966,336
Current assets					
Debtors	13	138,051		157,555	
Cash at bank and in hand		132,878		40,709	
			270,929		198,264
Creditors: Amounts falling due within one year	14		(372,591)		(278,146)
Net assets			33,377,147		31,886,454
Funds					
Permanent Endowment Fund	15		693,472		638,620
Unrestricted Funds:	16				
Current Fund			694,394		650,681
Long Term Fund:					
Investment & Property Fund		19,250,078		17,989,357	
-Revaluation Reserve	17	12,739,203		12,607,796	
			31,989,281		30,597,153
			33,377,147		31,886,454

The notes on pages 30 to 45 form part of these financial statements.

Approved by the Council on 2017 and signed on its behalf by

Geoffrey Purves
Member of the Council

Company No. 1084747 (England and Wales)

Architects Benevolent Society

Statement of cash flows For the year ended 30 September 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in)					
Operating activities	20		(120,567)		(1,083,393)
Cash flows from investing activities:					
Income from investments		311,539		283,114	
Purchase of fixed assets		(3,478)		(113,257)	
Purchase of investments		(3,917,188)		(4,123,854)	
Proceeds from the sale of investments		3,831,670		4,618,608	
Increase in cash held for investments		(9,807)		(143,484)	
Net cash flows provided by (used in) investing activities			212,736		521,127
Change in cash and cash equivalents in the reporting period			92,169		(562,266)
Cash and cash equivalents at the Beginning of the reporting period			40,709		602,975
Cash and cash equivalents at the end of the reporting period			132,878		40,709

Notes to the financial statements (continued)
For the year ended 30 September 2016

1. Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by 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)' and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements for the year ended 30 September 2016 are the first financial statements of the Charity prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. The financial impact of the transition to FRS 102 is disclosed in Note 19.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

Income is recognised on a receivable basis subject to the following specific points:-

- Legacies are regarded as receivable once their income is probable 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 income is included in the financial statements gross i.e. before taking account of any associated expenditure.

1.4 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.

1.5 Costs of raising funds

Expenses are included as costs of raising 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.

Notes to the financial statements (continued)
For the year ended 30 September 2016

1.6 Grants payable

Grants payable include single amounts given to members of the wider architectural profession – and their families – in times of need 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.

1.7 Charitable activities

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

1.7.1 Prevention and 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.

1.7.2 Provision of accommodation

The Society owns housing for beneficiaries and all direct costs of running these flats plus the welfare officers' time in supporting the unit are included as a direct charitable expense.

1.7.3 Governance costs

Governance costs, included within other direct costs (see Note 6) 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.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost 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.

Echohurst (Freehold)	-over 60 years
43 Portland Place (Long Leasehold)	-over 60 years
Linden Place (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

Notes to the financial statements (continued)
For the year ended 30 September 2016

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.

Mixed use properties are separated between investment property and property held for operational use as a tangible fixed asset.

1.10 Programme related investments

The Society makes loans to its beneficiaries that are interest free. These loans can be secured or unsecured. These loans are made at less than a market rate of interest for charitable purposes. They are included at the amount advanced less any repayments and impairments.

1.11 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.

1.12 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.

1.13 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.

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.

1.14 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The Charity has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

1.15 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the financial statements (continued)
For the year ended 30 September 2016

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Provision for interest-free loans

It is estimated that the recovery rate for unsecured interest free loans is 25%, and thus 75% of unsecured loans given during the year are written off. This estimate is based on an analysis of all unsecured loans given to current and past beneficiaries and the level of repayments. There are also a number of historical unsecured interest free loans where there has been no contact with the beneficiary for a number of years. A recovery rate of 10% has been applied to these, as the expectation is that the majority are unlikely to be repaid. Other than where there are exceptional circumstances, all secured interest free loans should be repaid in full. A non-recovery rate of 10% is applied to protect against any unforeseen circumstances beyond the Society's knowledge or control.

Valuation of investment property

Property valuations are based on regularly updated, independent valuations carried out in accordance with the RICS Valuation – Professional Standards 2014. Where necessary these valuations are further updated and adjusted annually in line with market yields and split between investment property and PPE on the basis of square footage.

Notes to the financial statements (continued)
For the year ended 30 September 2016

3. 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.

4. Investment income

	2016	2015
	£	£
Fixed asset investments	310,697	282,169
Gross interest receivable	842	945
	<u>311,539</u>	<u>283,114</u>

5. Relief of poverty

	2016	2015
	£	£
Grants	622,834	687,045
Gifts	22,111	28,045
Other direct costs including welfare officers	179,684	154,415
Indirect costs	131,393	158,768
	<u>956,022</u>	<u>1,028,273</u>

The Society made grants and gifts in the year to 264 (2015: 290) 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 (2015: none) grants are classified as institutional grants.

6. Governance costs

	2016	2015
	£	£
Trustees and committee meetings	10,505	19,486
Audit fee	12,500	12,000
Professional fees	62,699	30,990
Other costs	7,292	17,020
	<u>92,996</u>	<u>79,496</u>

Architects Benevolent Society

Notes to the financial statements (continued)

For the year ended 30 September 2016

7. Analysis of total expenditure

	Staff costs	Depreciation	Grants and gifts	Other	Total direct costs	Head office cost staff	Head office cost other	Head office Depreciation	Total costs	2015
	£	£	£	£	£	£	£	£	£	£
Raising funds	103,527	-	-	67,972	171,499	42,788	46,848	4,000	265,135	277,406
Investment management costs	-	-	-	73,265	73,265	-	-	-	73,265	73,857
Running commercial properties	-	17,816	-	25,147	42,963	13,165	14,416	1,231	71,775	86,396
Interest on borrowings	-	-	-	-	-	-	-	-	-	3,238
Relief of poverty	98,520	-	661,089	81,164	840,773	52,663	57,663	4,923	956,022	1,028,273
Provision of accommodation	-	5,025	-	12,520	17,545	1,097	1,201	103	19,946	26,460
	<u>202,047</u>	<u>22,841</u>	<u>661,089</u>	<u>257,568</u>	<u>1,146,045</u>	<u>109,713</u>	<u>120,128</u>	<u>10,257</u>	<u>1,386,143</u>	<u>1,495,630</u>

8. Net income/(expenditure) for the year

	2016 £	2015 £
The net income/(expenditure) for the year is stated after charging:		
Depreciation	33,096	30,473
Amounts paid to auditors	12,500	12,000
- audit		
- other services	8,000	5,850
Hire of equipment	1,426	2,690
	<u>55,022</u>	<u>51,013</u>

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

9. Staff costs

	2016 £	2015 £
The average monthly number of persons employed by the Society during the year was:	Number	Number
Office management and welfare	8	8
Staff costs (for the above persons)		
Wages and salaries	257,376	258,075
Social security costs	27,129	25,702
Other pension costs	23,458	20,468
Health and other staff benefits	3,797	12,647
	311,760	316,892
The number of staff paid over £60,000 in the year is as follows:		
Between £60,000 and £70,000	1	1
	1	1

Pension contributions in respect of the higher paid employee were £4,218 (2015: £5,907).

The key management personnel of the charity consists the Chief Executive Officer. The total employee benefits of the key management personnel were £64,472 (2015: £67,480).

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 8 Trustees was £7,796 (2015: £7,616). Trustee indemnity insurance of £1,840 (2015: £1,840) is included in head office costs.

The aggregate unrestricted donations made by the Trustees to the Charity in the year were £580 (2015: £1,040). A former Trustee also left an unrestricted legacy to the Charity in the year of £2,500 (2015: £Nil).

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

10. Tangible fixed assets

	Land and buildings freehold £	Land and buildings leasehold £	Fixtures, fittings and equipment £	Motor vehicle £	Total £
Cost					
1 October 2015	300,928	1,067,170	218,167	37,954	1,624,219
Additions	-	1,954	1,524	-	3,478
30 September 2016	300,928	1,069,124	219,691	37,954	1,627,697
Depreciation					
1 October 2015	41,458	62,071	159,765	37,954	301,248
Charge for year	5,025	17,816	10,255	-	33,096
30 September 2016	46,483	79,887	170,020	37,954	334,344
NBV at					
30 September 2016	254,445	989,237	49,671	-	1,293,353
NBV at					
30 September 2015	259,470	1,005,099	58,402	-	1,322,971

Upon adoption of SORP (FRS102), the company has taken advantage of the transitional arrangements with regard to the valuation of mixed use property. Further details are provided in Note 19.

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

11.	Fixed asset investments					
	Investment property	Quoted Investment equities and unity trusts	Cash	Total 2016	Total 2015	
	£	£	£	£	£	
Market value						
At 1 October 2015	17,750,000	11,692,344	567,077	30,009,421	27,143,401	
Additions	2,783	3,914,405	-	3,917,188	4,123,694	
Disposals	-	(3,831,670)	-	(3,831,670)	(4,618,608)	
Net investment gains	-	1,473,380	-	1,473,380	3,217,450	
Net movement in the year	-	-	9,807	9,807	143,484	
At 30 September 2016	17,752,783	13,248,459	576,884	31,578,126	30,009,421	

**2016
£**

Historical cost of quoted investments 10,853,092

There were no investments in individual entities held at 30 September 2016 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 2016 on an open market value basis using an informal valuation carried out by HNG Chartered Surveyors. The historic cost of the investment properties is £7,408,947.

Upon transition to SORP (FRS102), the company has taken advantage of the transitional arrangements with regard to mixed use property. Further details of the adjustments made to the 30 September 2015 figures are included in Note 19.

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

12. Programme related investments

	2016 £	2015 £
The charity makes interest free loans to its beneficiaries		
Loans to beneficiaries		
At 1 October 2015	1,288,543	1,191,020
Loans made in year	88,316	84,143
Loans written off in year	(31,744)	31,334
Loans repaid in the year	(67,043)	(17,954)
At 30 September 2016	1,278,072	1,288,543
Provision against loans		
At 1 October 2015	654,599	621,295
Provisions against loans written off	(19,285)	(9,176)
Provisions against historical loans written off	(5,428)	-
Movement in provision in the year for unsecured loans	46,230	42,480
Movement in provision in the year for secured loans	(5,374)	-
At 30 September 2016	670,742	654,599
Net balance	607,330	633,944

Total of these loans that were secured at 30 September 2016 was £486,064 (2015: £520,994).

13. Debtors

	2016 £	2015 £
Other debtors	7,993	137,991
Prepayments and accrued income	48,008	19,564
Service charge account	82,050	-
	138,051	157,555

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other tax and social security	46,914	2,599
Other creditors	78,493	82,459
Accruals and deferred income	247,184	140,057
Service charge account	-	53,031
	<u>372,591</u>	<u>278,146</u>

15. 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 2016 the value of the fund amounted to £693,472 (2015: £638,620).

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 25-26 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.

16. Unrestricted funds

	Current fund £	Long term fund -investment and property fund £	Total £
At 1 October 2015	650,652	30,597,182	31,247,834
Net movement in funds	43,742	1,392,099	1,435,841
Fund transfers	-	-	-
At 30 September 2016	<u>694,394</u>	<u>31,989,281</u>	<u>32,683,675</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.

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

17. Analysis of net assets between funds

	Endowment fund £	Current fund £	Long term fund £	Total funds £
Fund balances at 30 September 2016 are represented by:				
Tangible fixed assets	-	49,669	1,243,684	1,293,353
Investments	677,371	-	30,900,755	31,578,126
Programme related Investments	-	607,330	-	607,330
Current assets	16,101	409,986	(155,158)	270,929
Current liabilities	-	(372,591)	-	(372,591)
Total net assets	693,472	694,394	31,989,281	33,377,147
Revaluation reserve included above:				
Investment properties	-	-	10,343,836	10,343,836
Other investments	23,929	-	2,371,438	2,395,367
Revaluation reserve at 30 September 2016	23,929	-	12,715,274	12,739,203

18. Related party transactions

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 £7,796 (2015: £7,616). Trustee Indemnity Insurance of £1,840 is included in head office costs.

During the year, unrestricted donations from Trustees amounted to £3,080 (2015: £1,040).

19. FRS 102 Transition adjustment

These financial statements for the year ended 30 September 2016 are the first financial statements of the Charity prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

Property

At the date of transition, the charity:

- Revalued 43 Portland Place to fair value. This resulted in an increase to reserves of £7,683,719 at 1 October 2014.
- Reclassified the part of the charity's building that is let out to commercial tenants to investment property from tangible fixed assets. This resulted in:
 - An increase to investment property of £11,020,000 and a decrease to tangible fixed assets of £3,156,281 at 1 October 2014.
 - An increase to investment property of £14,355,000 and a decrease to tangible fixed assets of £3,528,410 at 30 September 2015.
 - A reduction in depreciation of £72,104 and an unrealised gain of £2,880,767 for the year ended 30 September 2015.

Unrealised gains

Under previous GAAP, unrealised investment gains/(losses) were not included as part of net income/(expenditure). Under FRS102, investment gains are included as a component of net income/(expenditure). Accordingly, this presentational adjustment is included in the reconciliation of reported net income in note 19.3.

The effect of the changes described above on reserves at 1 October 2014 and 30 September 2015 and on net income for the year ended 30 September 2015 is summarised below.

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

19.1 Total funds brought forward at 1 October 2014

	As previously stated £	Effect of transition £	As restated £
Tangible fixed assets	4,402,307	(3,156,281)	1,246,026
Investments	16,123,401	11,020,000	27,143,401
Programme related investments	578,726	-	578,726
Current assets	679,518	-	679,518
Current liabilities	(556,671)	-	(556,671)
Net assets	21,227,281	7,863,719	29,091,000
Funds			
Permanent Endowment	627,113	-	627,113
Current Fund	1,076,641	-	1,076,641
Long Term Fund	19,523,527	7,863,719	27,387,246
	21,227,281	7,863,719	29,091,000

19.2 Total funds brought forward at 1 October 2015

	As previously stated £	Effect of transition £	As restated £
Tangible fixed assets	4,681,381	(3,538,410)	1,322,971
Investments	15,654,421	14,355,000	30,009,421
Programme related investments	633,944	-	633,944
Current assets	198,264	-	198,264
Current liabilities	(278,146)	-	(278,146)
Net assets	21,069,864	10,816,590	31,886,454
Funds			
Permanent Endowment	638,620	-	638,620
Current Fund	650,681	-	650,681
Long Term Fund	19,780,563	10,816,590	30,597,153
	21,069,864	10,816,590	31,886,454

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

19.3 Reconciliation of reported net income/(expenditure) (2015)

	£
Net expenditure as previously stated	(29,046)
Reduction in depreciation charge	72,104
Unrealised losses on investments now included as part of net expenditure	(128,371)
Gain on revaluation of investment properties	2,880,767
Net expenditure as restated	2,795,454

20. Reconciliation of net income/expenditure to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period	1,490,693	(85,313)
Adjustments for		
Depreciation	33,096	36,313
Net Losses/(gains) on investments	(1,473,382)	(336,523)
Investment income	(311,539)	(283,114)
Decrease/(increase) in programme related investments	26,614	(55,218)
(Increase)/decrease in debtors	19,504	(81,012)
Increase/(decrease) in creditors	94,443	(278,525)
Net cash provided by (used in) operating activities	(120,567)	(1,083,393)

Architects Benevolent Society

Notes to the financial statements (continued) For the year ended 30 September 2016

21. Comparative information

	Unrestricted Funds		Endowment fund	Restricted fund	Total 2015
	Current Fund	Long Term fund	fund	fund	
	£	£	£	£	£
Income and endowments					
Donations and legacies					
Donations and gifts	163,967	-	-	-	163,967
Legacies	197,572	-	-	-	197,572
Other income					
Commercial rent receivable	410,011	-	-	-	410,011
Investments	258,549	-	-	24,565	283,114
Charitable activities					
Residents of sheltered Housing	18,970	-	-	-	18,970
Total income and Endowments	1,049,069	-	-	24,565	1,073,634
Total expenditure on					
Raising funds	277,406	-	-	-	277,406
Investment management Costs	70,014	-	3,843	-	73,857
Costs of running commercial properties	69,334	17,061	-	-	86,396
Interest on borrowings	3,238	-	-	-	3,238
	419,992	17,061	3,843	-	440,897
Charitable activities					
Relief of poverty	1,003,708	-	-	24,565	1,028,273
Provision of accommodation	21,435	5,026	-	-	26,460
Total expenditure	1,445,135	22,087	3,843	24,565	1,495,630
Net income/(expenditure) before transfers and investment gains/(losses)	(396,068)	(22,087)	(3,843)	-	(421,996)
Net gains/(losses) on investments	-	3,202,100	15,350	-	3,217,450
Net income/(expenditure)	(396,068)	3,180,013	11,507	-	2,795,454
Transfer between funds	(29,894)	29,894	-	-	-
Net movement in funds	(425,960)	3,209,907	11,507	-	2,795,454
Fund balances brought forward At 1 October 2014	1,076,641	27,387,246	627,113	-	29,091,000
Fund balances carried forward At 30 September 2015	650,681	30,597,153	638,620	-	31,886,454