



# RIAS

The Royal Incorporation  
of Architects in Scotland

# Annual Report 2011

OPERA · NOSTRARUM  
MANUUM · DIRIGE

This Annual Report was originally printed in  
*RIAS Quarterly* issue 10, Summer 2012.

# REFERENCE AND ADMINISTRATIVE DETAILS

## Scottish Charity Reference

SC 002753

## Address of Principal Office

15 Rutland Square  
Edinburgh EH1 2BE

## Members of Council (Trustees)

### President

Sholto Humphries PRIAS *from May 2011*  
David Dunbar PRIAS *to May 2011*

### Past President

David Dunbar PPRIAS *from May 2011*  
Arnie Dunn PPRIAS *to May 2011*

### Hon Treasurer

George Wren PPRIAS

## Chapter Presidents

### Aberdeen Society of Architects

Murray Restrup *from May 2011*  
Gordon G Smith *to May 2011*

### Dundee Institute of Architects

Fraser Middleton *from May 2011*  
Willie Watt *to May 2011*

### Edinburgh Architectural Association

Dermott Paterson *from May 2011*  
Kenneth Ralston *to May 2011*

### Glasgow Institute of Architects

Ian Hamilton *from May 2011*  
Fiona Sinclair *to May 2011*

### Inverness Architectural Association

Calum Maclean

## Stirling Society of Architects

Stephen Lynas *from May 2011*  
Sandy Dawson *to May 2011*

## Council Members

### Chapter Representatives/Nationally Elected/Co-options

#### To May 2011

Gordon Anderson, Richard Atkins, Stuart Bagshaw, Roderick Binns, Andrew Bruce, Stuart Campbell, Donald Canavan, Iain Connelly, Hugh Crawford, Colin Doig, Frank Crichton Wood, Allan Cumming, Jim Cuthbertson, Brendan Diamond, Iain Dickson, Kieran Gaffney, Euan Geddes, Michael Goudie, Ian Hamilton, Fiona Harvey, Stewart Henderson, Sholto Humphries, Michael Jarvis, Stephen Lynas, Fraser Middleton, Roy Milne, Dermot Patterson, Doug Read, Murray Restrup, Sheila Riddell, Shane Rodgers, Joan Scott, A Gordon Smith.

#### From May 2011

Gordon Anderson, Richard Atkins, Stuart Bagshaw, Andrew Bruce, Donald Canavan, Iain Connelly, Hugh Crawford, Colin Doig, Allan Cumming, Jim Cuthbertson, Brendan Diamond, Iain Dickson, Euan Geddes, Michael Goudie, Stewart Henderson, Michael Jarvis, Pavlina Koeva-Ratcheva, Roy Milne, Ken Ralston, Doug Read, Sheila Riddell, Kerr Robertson, Shane Rodgers, Fiona Sinclair, Joan Scott, A Gordon Smith, Kevin Spence, Andrew Stavert, Ian Stewart, Willie Watt, Ged Young.

## Staff Members during the year

### Secretary & Treasurer

Neil Baxter

### Depute Secretary

Sharon McCord

### Bankers

The Royal Bank of Scotland plc  
Edinburgh West End Office  
142-144 Princes Street  
Edinburgh EH2 4EQ

### Auditors

Springfords LLP  
Dundas House  
Westfield Park, Eskbank  
Edinburgh EH22 3FB

### Accountants

Norman, Downie & Kerr Ltd  
The Courtyard  
130 Constitution Street  
Edinburgh EH6 6AJ

### Investment Managers

Murray Asset Management  
39 Castle Street  
Edinburgh EH2 3BH

### Legal Advisors

Simpson & Marwick  
Albany House  
58 Albany Street  
Edinburgh EH1 3QR

# PRESIDENT'S INTRODUCTION

The fact that RIAS Membership numbers are relatively steady is positive. Much of the stuff of our annual report confirms that the “bread and butter” activities have been successfully delivered. Through our excellent Cross Party Group and ongoing political liaison, the Incorporation continues to communicate with a range of politicians, including those at the highest levels within all of Scotland’s political parties.

Our international relations are more about responding to opportunity. That said, established relationships are being reinforced. Over the last couple of years we have worked well with the Catalan, Dutch, Spanish and Swiss Governments and more recently with Austria and Cuba. Each of these contacts is about securing benefits for Scotland’s architects. However more international liaison is needed, towards opening up new markets.

It would be churlish not to commend those involved with the delivery of the 2011 programme. The tremendous group of speakers who delighted us with their erudition at the 2011 Convention contributed to a real highlight. The last year of the old awards system which dealt with both RIBA and Doolan submissions quite separately, produced a bumper crop in the former and an excellent and in my view, completely justified, longish shortlist for the Doolan. It strikes me as inevitable that the 2011 winner was at the top of many people’s favourites list. After all, the Doolan Award is very much about delivering what it says on the tin. It wouldn’t really be right to give the Best Building in Scotland Award to anything other than the best building in Scotland!

A corollary to our political liaison activity is the detailed and lengthy responses the Incorporation delivers to Government consultations and those from statutory bodies. Again this is the focus of huge voluntary effort from members. It is a credit to the Incorporation that we manage to respond in detail to such a breadth of technically complex consultations.

There were only a couple of RIAS Competitions in 2011. However our Community Projects Fund is an area where the RIAS helps out small organisations, the length and breadth of the country, on projects which ultimately deliver new amenity and significant tangible benefits. Inaugurated at the Millennium, this fund has assisted literally dozens of small communities, directly benefiting the lives of huge numbers of Scots.

While a significant proportion of our activity is of the “steady as she goes” variety, the Incorporation also continues to innovate. Our new website and refreshed database enhance communications and administration. Both are vital in our day-to-day working. Vital too is the continuing work of the Practice Department in advice, consultation and the publication of technical and legislative information. Practice is also charged with overseeing our various accreditation programmes. Work to bring these up to date has been immense. The RIAS Conservation Accreditation Scheme is the oldest in the UK but has been revisited, refined and made absolutely fit for purpose. Similarly, our Expert Witness Panel has been refreshed and training provided, following the work undertaken on Adjudication in 2010. Also related to Practice, the Energy Design Certification

Scheme, appropriately a slow burner, is starting to come into its own.

The James Miller Trust annually provides a number of student hardship awards. Alongside our working with the Association of Scottish Schools of Architecture and the Part 3 awarding body, APEAS, we liaise directly with students through our annual Awards (in partnership with A+DS) e-bulletins, the *Quarterly* and visits to the schools scheduled during each presidential term.

By the end of 2011 much of the repair and upgrading of our HQ was complete. Our new ‘gallery’ of work by our international Honorary Fellows is installed. While the list of new inductees during 2011 is relatively long, the honour of Honorary Fellowship is very warmly received by all its recipients.

The Incorporation dwells very much in the present, has a responsibility for celebrating the best of the past and supports its members in their endeavours to improve Scotland’s future. We are four years away from our centenary. As our 2011 Report demonstrates, we have rarely been busier, stronger or more pertinent. As a membership organisation owned and run by its members, the RIAS is uniquely placed to continue this endeavour and to ensure that we build towards a year-long 100th birthday celebration which will fundamentally influence Scotland’s architectural agenda for the next 100 years.



SHOLTO HUMPHRIES  
PRESIDENT

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2011

The members of Council of the Royal Incorporation of Architects in Scotland are pleased to present their report for the year ended 31 December 2011. This report is prepared in accordance with the Charter and Byelaws of the Incorporation and complies with applicable law.

The members of Council have applied the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005, in preparing the annual report and financial statements.

### Structure Governance and Management

The Incorporation is operated under the rules of its Royal Charter and Byelaws, originally granted in May 1922 and most recently revised in December 2003. It is a registered Scottish charity (reference SC 002753).

The Incorporation is a membership body with six Chapters and six categories of membership: honorary fellow, fellow, associate, honorary affiliate, affiliate and student membership. Applications for membership are approved by the Council and members sign a declaration confirming adherence to the RIAS Charter and Byelaws.

Management of the Incorporation is the responsibility of the members of the Council, who are elected or co-opted under the terms of the Byelaws and who are charity trustees for the purposes of charity law. Members of Council may be appointed by election from the membership, by Chapter nomination or by co-option by Council, in accordance with the rules set out in the Byelaws. The names of officers and other members of Council who served during the year are shown on page 81.

The Council is required to meet at least four times each year and has overall responsibility for the strategic management and operations of the Incorporation (including governance responsibilities under charity law). A formal induction for Council members is given at the beginning of the first meeting each year, which includes training on relevant regulations and the responsibilities of trustees. Management in specific areas is overseen by means of sub-committees and day to day management is delegated to the Secretary & Treasurer and staff of the Incorporation. Senior members of staff during the financial year are listed on page 81 above.

### Objectives and Activities

The principal objective of the Incorporation is to promote the value of architecture and architects in Scotland. The full list of objectives is set out in paragraph 5 of the Charter. There have been no changes in objectives since the last annual report.

Much of the activity supporting the objectives is undertaken by the subsidiary trading company, RIAS Services Limited, which pays its profits over to the charity by gift aid.

RIAS Services Limited provides a range of services to individual members, architectural practices and other organisations. This includes a subscription service for architectural practices, CPD for members, a bookshop, running events and consultancy services including architectural competitions. There is also a publishing arm, which publishes the RIAS Illustrated Architectural Guides and other titles. The Incorporation also publishes a biennial Directory of Practices and produces a quarterly journal and learned society publications.

### Achievements and Performance

#### Membership

Thanks to active recruitment and enthusiastic student engagement by the Chapters, the RIAS welcomed 115 new full members, 335 new students, 12 reinstatements and 3 transfers from retired to full membership. 13 Fellowships and 17 Hon Fellowships were awarded. Regrettably, 37 deaths were reported. 59 members resigned – mainly due to the economic downturn. Due to 74 retirements and 10 removals for non-payment, we are down on fee paying membership by 24. A large number of members applied for

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2011

the reduced membership rate. However the overall increase means the Incorporation truly has over 4,000 members for the first time in its history and the positive membership trend reported last year is continuing.

### **Politics and PR and International Liaison**

Our media profile has continued positive, with excellent coverage on television, radio and in specialist and general press. In addition to ministerial meetings with Fiona Hyslop (x3) and Alex Neil, the President and/or Secretary met a number of SNP backbenchers and senior opposition members, including Tavish Scott, Ruth Davidson, Iain Gray and Pauline McNeill. The Secretary had constructive exchanges with A+DS Chair, Karen Anderson and CEO, Jim MacDonald, with outgoing RIBA President, Ruth Reed, incoming President, Angela Brady and CEO, Harry Rich. Liaison continued with the Dutch Embassy and the Catalan Government. Early in the year the Incorporation hosted Catalan Past President, Pasqual Maragall Hon FRIAS, who attended a series of events celebrating his RIAS Honorary Fellowship. In November the President, Past President Dunbar and the Secretary visited the World Architecture Festival in Barcelona at the invitation of its organiser, Paul Finch OBE Hon FRIAS.

### **Events**

The Glasgow Convention included presentations from Kim Nielsen, Prof. Jorge Silvetti and Prof. Ignacio Vicens. Our Cross Party Group at the Parliament hosted lively meetings on “people places” and community engagement in planning. A Government architecture debate in November welcomed substantial contributions from Cabinet Secretary, Fiona Hyslop and former

architecture Ministers, Linda Fabiani and Patricia Ferguson. The Fellows’ Annual Dinner and Summer and Christmas (Doolan Award) Receptions were very convivial. George Ferguson CBE Hon FRIAS PPRIBA addressed the Dinner.

### **HQ and Governance**

The Incorporation’s corporate strategy was revisited for 2012 to 2016 for approval at March 2012 Council. Joan Scott was unanimously elected by Council as RIBA Representative for Scotland South. A programme of repairs to the basement and sub-basement of 15 Rutland Square resulted in new meeting space, the Garden Room, a new staff room and the installation of 29 works by our international architect Honorary Fellows. Our new website was well received and a new members’ database established. Improved financial reporting has significantly contributed to the efficiency of our annual audit and the audit fee was pinned at the favourable rate negotiated in 2010.

### **Practice**

Our conservation and sustainability accreditation schemes continue to grow steadily. A new protocol for the former was discussed with Historic Scotland and English Heritage – to be agreed in 2012. The conservation assessors list has been expanded to 17. Our Energy Design Scheme has 74 accredited certifiers and received a positive Government audit. The RIAS expert witness list has been increased to 15 through an induction/refresher course, an examination and interview. The President’s Commission on Procurement, chaired by Roy Martin QC Hon FRIAS, published its report ‘Building a Better Future?’ in December. The report prompted extensive media coverage and an official press

release from Scottish Labour, endorsing its findings. It has subsequently been positively received by the relevant committees of the Scottish, UK and Northern Ireland Governments and prompted a ‘root and branch review’ of construction procurement by the Scottish Government.

### **Education/CPD**

Five James Miller Student (hardship) Awards were given, totaling £5,890. The Incorporation continued to support the Association of Scottish Schools of Architecture (ASSA) with financial services and meeting facilities. The APEAS Reception at the Convention was a positive engagement with newly qualified Scottish architects.

### **Awards**

31 RIBA Award submissions resulted in ten awards. A Lifetime Achievement Award went to James Parr FRIAS at the Convention in Glasgow. The touring exhibition of the 2010 Doolan Award visited 11 venues throughout the Chapters. The RIAS Andrew Doolan Best Building in Scotland Award 2011 was judged by President Sholto Humphries, Professor Andy MacMillan FRIAS and international architect, David Mackay Hon FRIAS and won by Gareth Hoskins Architects for the adaptive restoration of The National Museum of Scotland.

Our annual student awards, with A+DS, were judged by the President, Scottish Government Chief Architect, Ian Gilzean, Edgar Gonzalez Hon FRIAS and Kate Hendry from Sust. The Rowand Anderson Silver Medal was won by Kieran Sheehan from the Mackintosh School. The RIAS Scottish Community Projects Fund supported 11 projects to a total of £17,500.

### **Consultancy/Competitions**

Redman and Sutherland Architects won the Shetland Sustainable Housing Competition. The competition for the 'Kelpies' viewing and visitor facilities was launched.

### **Publishing**

The publication *Glasgow Green Renewed*, generously funded by Glasgow City Council, was launched at the Glasgow Winter Gardens in May.

### **Chapters**

The Chapters continue to provide lively and varied CPD, awards, political lobbying and other events. All the Chapters now have awards programmes which feed into the Doolan award.

### **Consultations**

The Incorporation responded to Scottish Government consultations on Householder Permitted Development Rights, Amendments to the Planning System, Future Delivery of Public Services, Scottish Standard PQQ, Legal Services Act, Amendments to the Construction Contracts Regulations, Pedestrian Protective Barriers, Building Standards Verification, the Historic Environment Act, Non-Domestic Elements of the Town and Country Planning Order, Energy Performance of Buildings, The Climate Change Act and Transaction Fees for Lodgements on the Non-Domestic Buildings and the Home Energy Efficiency Databases. The Incorporation also submitted to a study on Building Standards compliance and responded to Historic Scotland's draft Corporate Plan.

### **Honorary Fellowships**

Honorary Fellowships were awarded to Malcolm Cooper, Kathleen Dalyell, Tam Dalyell, Clive Gillman, Michel Kagan (posthumous), Neil Kelly, President Pasqual Maragall, Tom McInally, Bruce Minto, John Norman, Ann Packard, Natalie Régnier-Kagan, Reto Renglii, Tavish Scott, Daphne Thissen, Lord Provost Bob Winter and Adrian Wiszniewski.

### **Collections/Archive**

Historic Scotland funded filmed interviews with RIAS senior members for the *Dictionary of Scottish Architects*: Philip Cocker FRIAS, David Cowling FRIAS, John (Ian) Hepburn MBE FRIAS, James (Jim) Laidlaw PPRIAS, John Lane PPRIAS, Allen (Mick) Matheson CBE PPRIAS, Dr Larry Rolland PPRIAS PPRIBA and John Spencely CBE PPRIAS.

### **Future Plans**

In addition to greatly enhanced online communications and continuing its core endeavours in political lobbying, promotion, research, education, technical advice, publishing and awards, the Incorporation has met with a wide range of partner organisations and Government towards the year-long festival of architecture for its centenary year, 2016.

### **Acknowledgements**

RIAS members who participate in Chapter and HQ committees and activities, the RIAS President, PPC and Council, the Secretary and the staff team are commended for their hard work throughout 2011.

### **Financial Review and Results for the Year**

The results for the year are set out in the Statement of Financial Activities (SOFA) on page 91, which shows the consolidated income and expenditure for the charity and its subsidiary trading company, RIAS Services Ltd. Separate results for the charity alone are shown in the Income & Expenditure account on page 92 and results for the subsidiary company are summarised in note 2 on page 94.

The result for the year, as set out in the SOFA, shows net outgoing resources of £57,716 before investment gains compared to net incoming resources of £46,592 in the previous year. However the result this year includes exceptional expenditure of £65,273 on refurbishment costs (compared to £11,179 in 2010). Excluding this exceptional expenditure would result in net incoming resources of £7,557 on normal activities for the year, compared to £57,771 in the previous year. In the present economic climate this is considered to be a satisfactory result.

In fact various items of expenditure, which were originally planned during 2010, were set aside as designated funds at the end of that year and are included in the expenditure for 2011. These included £30,000 for IT development and £34,000 towards refurbishment costs. A further £40,000 has been designated this year for refurbishment costs in 2012.

The main source of income for the Incorporation is membership subscriptions and these show a decrease of 4.5%, providing income of £498,449, which represents 54% of the gross income for the year. This is less of a reduction than was anticipated, given the prevailing economic conditions.

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2011

The Incorporation derives profits from its trading subsidiary, RIAS Services Ltd, which are paid over to the charity under gift aid as a contribution to expenditure on membership activities. The results for the subsidiary company are summarised in note 2 on page 94 and show a net profit of just £315 in what has proved a difficult year for sales of goods and services and obtaining sponsorship for events.

Expenditure on membership activities at £458,937 shows an increase of 9%. This includes some exceptional expenditure on website development amounting to £30,263 (compared to £14,785 in 2010), more expenditure on events, including £7,874 for the visit of President Maragall and a greater share of central overhead costs in view of the reduced activity of RIAS Services during the year.

Administrative expenditure has again shown a slight reduction, demonstrating awareness of the need to reduce costs wherever possible without compromising the service to members. Governance costs have also decreased, as the previous year included a valuation fee and the separate printing of the annual report, now included in the *RIAS Quarterly* journal.

The restricted funds comprise the awards and prize funds, the benevolent fund, the Scottish Community Projects Fund (SCPF) and the ASSA fund, held for continuing work of the former Association of Scottish Schools of Architecture. Further grant income of £15,000 was received from the Robertson Trust for SCPF and grants totalling £17,500 were awarded from this fund during the year, with previous grant commitments of £8,900 cancelled. A total of £80,034 is carried forward in restricted funds.

### **Investments**

The Incorporation relies on advice from external investment advisers in managing its listed investments. There was a net loss of £4,311 on listed investments over the year reflecting market conditions.

Also included is an unlisted investment in Scottish Buildings Contract Committee Ltd (SBCC) at an estimated valuation of £11,357, a decrease of £625. The Incorporation owns one sixth of the share capital of SBCC (see note 9 for further details).

### **Funds & Reserves Policy**

The various funds of the Incorporation and movements over the year are detailed in note 14 on page 97. A total of £240,422 is held in designated funds. Of this £197,422 represents tangible fixed assets and investments which are not readily realisable. The balance of £43,000 has been set aside for expenditure in the next year, as described in note 14. There remains a balance of £239,388 in the general fund representing the free reserves of the charity. Generally it is the policy of the trustees to maintain the level of these free reserves to provide a reasonable cushion for unknown contingencies and enable the Incorporation to participate in opportunities for the benefit of the profession.

### **Asset Valuation**

The book value of tangible fixed assets is represented by the revaluation reserve of £194,971 with the balance of £186,065 in the designated fixed asset fund (£381,036 in total). This includes written down amounts of £329,013 and £28,440 for the heritable property and antique and fine art furnishings, which were revalued in 1987 and 1988 respectively. In the opinion of the trustees the current market value of these assets is

considerably in excess of the current book values shown in the accounts. A valuation for the heritable property in July 2007 indicated a market value in the range £1.2 to £1.3 million at that time.

### **Future Prospects**

Given the difficult economic climate, a further reduction of 5% in gross subscription income has been budgeted for 2012. Some activities, such as the members' directory and the publishing of two titles, which had been expected to take place in 2011, will now contribute to income in 2012. There is a conscious drive to obtain more sponsorship and grant income for other activities, which is showing signs of success. Balancing the budget in the year ahead will continue to be a challenge, but one that the Incorporation is well placed to meet, with a staff team focussed on the task and efficient use of resources.

### **Risk Management**

The President and senior members meet with staff on a regular basis to review the activities and to ensure that objectives are met. At each of their meetings, the members of Council are presented with a report on the financial performance based on the agreed budget for the year.

The members of Council confirm that the major risks to which the Incorporation is exposed have been reviewed and that systems have been established to mitigate those risks.

### **Statement of Responsibilities of the Council Members in Relation to Financial Statements and Accounting Records**

The members of Council, as trustees of the charity, are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations.

The Council members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Scottish charity law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Incorporation, including its wholly owned subsidiary, and of its net incoming or outgoing resources for the year.

In preparing those financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice for charities;
- 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 Incorporation will continue to operate.

The Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Incorporation and enable them to ensure that the financial statements comply with the *Charities and Trustee Investment (Scotland) Act 2005*, the *Charities Accounts (Scotland) Regulations 2006* and the provisions of the Incorporation's constitution. They are also responsible for safeguarding the assets of the Incorporation and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of Disclosure to Auditor**

So far as the members of Council are aware, there is no relevant audit information of which the Incorporation's auditors are unaware. Additionally, the Council members have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the Incorporation's auditors are aware of that information.

**Approved by the members of Council and signed on their behalf by:**



SHOLTO HUMPHRIES, PRESIDENT

14 March 2012

# AUDITOR'S REPORT

## INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE ROYAL INCORPORATION OF ARCHITECTS IN SCOTLAND FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of The Royal Incorporation of Architects in Scotland for the year ended 31 December 2011, which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of total recognised gains and losses, the note of historical profits and losses and related notes. 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 members of Council (the charity's trustees), as a body, in accordance with section 44(1)(c) of the *Charities and Trustee Investment (Scotland) Act 2005* and regulation 10 of the *Charities Accounts (Scotland) Regulations 2006*. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Incorporation and the Incorporation's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Responsibilities of the Council members set out on page 87, the members of Council, as trustees of the charity, 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 auditor under section 44(1)(c) of the *Charities and*

*Trustee Investment (Scotland) Act 2005* and report in accordance with regulations made under 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 (APB'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 group's and parent 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 Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2011 and of the group's

incoming resources and application of resources, 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 *Charities and Trustee Investment (Scotland) Act 2005* and regulation 6 and 8 of the *Charities Accounts (Scotland) Regulations 2006* (as amended).

### Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the *Charity Accounts (Scotland) Regulations 2006* (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Council is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Springfords LLP**

Chartered Accountants  
and Statutory Auditor

Dundas House, Westfield Park,  
Eskbank, Edinburgh

14 March 2012

*Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

# ACCOUNTING POLICIES

## Basis of Accounting and Consolidation

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of certain fixed and current assets and in accordance with applicable accounting standards in the United Kingdom, the *Charities and Trustee Investment (Scotland) Act 2005*, the *Charities Accounts (Scotland) Regulations 2006* and the *Statement of Recommended Practice Accounting and Reporting by Charities*, issued in March 2005 (SORP 2005).

Although the charity has reported a deficit for the year, it has substantial cash reserves and this cash position is expected to continue in the future. Through the nature of its operations the trustees assess that the charity is not unduly exposed to current general economic difficulties. The trustees consider that the charity will continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are a consolidation of the Royal Incorporation of Architects in Scotland ('the charity') and its wholly owned subsidiary company, RIAS Services Limited (see note 2). No separate statement of financial activities is shown for the charity, in accordance with the exemption afforded by paragraph 397 of *SORP 2005*, but separate results are shown for the charity in the income & expenditure account.

The Group meets the size exemption criteria of *Financial Reporting Standard No 1 (revised 1996) 'Cash Flow Statements'*. Accordingly, no cash-flow statement is required.

Some of the expenditure in note 6 to the accounts has been allocated differently in 2011, in order to reflect more accurately the activities of the charity and the 2010 comparatives have been adjusted accordingly.

## Trading Activities

The trading activities in the subsidiary company, comprising in the main services to architects, conferences and events and the sale or production of publications related to architecture, are considered to be ancillary to the primary purpose of the charity. Consequently the income and expenditure from these activities has been classified as "charitable activity" in the *Statement of Financial Activities* (the SOFA).

## Incoming Resources

Grants and donations are included when receivable unless there are imposed pre-conditions on use of the funds or the income is for a future accounting period. Any grants or donations received for a particular purpose are allocated to restricted funds.

Membership subscriptions are included in the year for which they are due.

Turnover from trading activities is stated at invoice value, excluding VAT and is included in the period when a service is delivered, goods are made available or an event takes place.

Investment income and other income is included when receivable.

Income referable to future periods or events is deferred (see note 13 for details).

## Resources Expended

All expenditure is accounted for on an accruals basis. Wherever possible costs are attributed directly to membership activities, trading activities or governance costs. The remaining administrative support and central management costs are allocated on the basis of estimated staff time and use of facilities, which amounted to the following proportions in 2011:

Membership activities	60% (2010 – 55%)
Trading activities	35% (2010 – 40%)
Governance costs	5% (2010 – 5%)

Grants payable to projects are fully charged in the period when the award is made, unless the offer is conditional in which case the grant is recognised once the conditions have been fulfilled.

The Incorporation is registered for VAT and expenditure excludes VAT. Irrecoverable VAT, arising from exempt membership activities, is shown as a separate item under membership costs (see note 6).

## Tangible Fixed Assets and Depreciation

From 1 January 2000 all new tangible fixed assets are recorded at historic cost less accumulated depreciation and any provisions for impairment. Prior to that date, the company's heritable property and its antiques and fine art furnishings had been restated at their open market values at January 1987 and January 1988 respectively and had subsequently reduced by depreciation on those new values. Under the transitional arrangements of *Financial Reporting Standard 15 'Tangible Fixed Assets'*, the property,

# ACCOUNTING POLICIES

antiques and fine art furnishings continue to be treated on that basis. The assets are stated at open market value at the respective valuation dates less accumulated depreciation to date and those valuations have not been updated.

The heritable property is depreciated at 2% per annum on a straight line basis and the antique and fine art furnishings at 2% per annum on a straight line basis. The land associated with the property and improvement work in progress have not been depreciated. Other furniture, fittings and office equipment are stated at cost less depreciation which is charged by the straight line method over the estimated useful life of each asset at the following rates:

Furniture & Fittings	10%-25% per annum
Office Equipment	10%-20% per annum
Computer Equipment	25%-50% per annum

Generally assets costing less than £250 are not capitalised in the balance sheet.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the general fund (refer to note 16).

## Fixed Asset Investments

Listed investments are stated at market value at the balance sheet date. Gains and losses on revaluation or disposal of investments are recognised in aggregate in the *Statement of Financial Activities*.

Unlisted investments are stated at trustees' valuation, based on the net asset value shown by the most recent annual accounts.

## Stocks and Work in Progress

Stocks and work in progress of publications, products and stationery are stated at the lower of cost and net realisable value.

## Pension Costs

Pension costs represent contributions payable for the accounting period under defined contribution schemes.

## Taxation

As a registered charity, the Incorporation is exempt from corporation tax on its charitable activities. Profits of the trading subsidiary are paid over to the charity as gift aid and consequently no provision for corporation tax is required.

## Fund Accounting

The *Unrestricted general fund* is available to be used for any of the charitable objects at the discretion of the trustees.

*Designated funds* are set aside by the trustees out of unrestricted funds for specific purposes or projects.

*Restricted funds* can only be used for particular purposes within the objects of the charity as specified by the donor or by the terms of an appeal for the funds.

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

THE NOTES ON PAGES 94 TO 97 AND THE ACCOUNTING POLICIES ON PAGE 89 FORM PART OF THESE FINANCIAL STATEMENTS.

## Consolidated Statement of Financial Activities

<b>Incoming Resources</b>	<i>Notes</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total 2011</i>	<i>Total 2010</i>
		£	£	£	£
<b>Incoming Resources from charitable activities:</b>					
Membership subscriptions	1	498,449	-	<b>498,449</b>	521,120
Membership activities		25,906	-	<b>25,906</b>	30,831
A. Doolan Best Building in Scotland Award		40,440	-	<b>40,440</b>	39,295
<b>Incoming Resources from generated funds</b>					
<i>Trading activities:</i>					
Services to architects	2	206,012	-	<b>206,012</b>	217,466
Publications & products	2	71,517	-	<b>71,517</b>	91,808
Consultancy & other sources	2	51,573	-	<b>51,573</b>	86,616
<i>Voluntary income:</i>					
Grants & donations	3	-	22,350	<b>22,350</b>	29,324
Investment income	4	8,572	-	<b>8,572</b>	6,709
Other incoming resources		1,500	-	<b>1,500</b>	-
<b>Total incoming resources</b>		<u>993,845</u>	<u>29,324</u>	<b><u>1,023,169</u></b>	<u>1,035,989</u>
<b>Resources Expended</b>					
<i>Charitable activities:</i>					
Membership activities	6	458,937	-	<b>458,937</b>	421,044
A. Doolan Best Building in Scotland Award	6	41,585	-	<b>41,585</b>	38,467
Other grants & awards	5	34,685	13,506	<b>48,191</b>	66,061
Building refurbishment	6	65,273	-	<b>65,273</b>	11,179
<b>Costs of generating funds</b>					
<i>Trading activities:</i>					
Services to architects	2	172,124	-	<b>172,124</b>	167,515
Publications & products	2	101,819	-	<b>101,819</b>	133,731
Consultancy & other sources	2	54,844	-	<b>54,844</b>	92,350
<i>Governance costs</i>	6	41,262	-	<b>41,262</b>	46,230
<b>Total Resources Expended</b>		<u>970,529</u>	<u>13,506</u>	<b><u>984,035</u></b>	<u>976,577</u>
<b>Net Incoming / (Outgoing) Resources before other recognised gains and losses</b>		(66,560)	8,844	<b>(57,716)</b>	46,592
<i>Other recognised gains and losses</i>					
Net (losses) / gains on investment assets		(4,936)	-	<b>(4,936)</b>	5,618
<b>Net Movement in Funds</b>		(71,496)	8,844	<b>(62,652)</b>	52,210
Funds brought forward		746,277	71,190	<b>817,467</b>	765,257
<b>Funds carried forward</b>	14	<u>674,781</u>	<u>80,034</u>	<b><u>754,815</u></b>	<u>817,467</u>

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

THE NOTES ON PAGES 94 TO 97 AND THE ACCOUNTING POLICIES ON PAGE 89 FORM PART OF THESE FINANCIAL STATEMENTS.

## Consolidated and Charity Income and Expenditure Accounts

	Notes	Group		Charity	
		2011	2010	2011	2010
		£	£	£	£
<b>Income:</b>					
Membership subscriptions	1	498,449	521,120	498,449	521,120
Membership activities		25,906	30,831	25,906	30,831
A. Doolan Best Building in Scotland award		40,440	39,295	40,440	39,295
Turnover from trading activities	2	329,102	395,890	-	-
Grants & donations	3	22,350	29,324	22,350	29,324
Gift aid donation due from subsidiary		-	-	315	2,294
Recharge of support costs to subsidiary		-	-	89,659	102,411
Investment income	4	8,572	6,709	8,572	6,709
Other incoming resources		1,500	-	1,500	-
<b>Total income</b>		<b>926,319</b>	<b>1,023,169</b>	<b>687,191</b>	<b>731,984</b>
<b>Expenditure:</b>					
Membership activities	6	458,937	421,044	458,937	421,044
A. Doolan Best Building in Scotland Award	6	41,585	38,467	41,585	38,467
Other grants and awards	5	48,191	66,061	48,191	66,061
Building refurbishment	6	65,273	11,179	65,273	11,179
Expenditure on trading activities	6	328,787	393,596	89,659	102,411
Governance costs	6	41,262	46,230	41,262	46,230
<b>Total expenditure</b>		<b>984,035</b>	<b>976,577</b>	<b>744,907</b>	<b>685,392</b>
<b>Net operating income / (expenditure) for the year</b>		<b>(57,716)</b>	<b>46,592</b>	<b>(57,716)</b>	<b>46,592</b>
Net realised (loss) on sale of fixed asset investments		(596)	-	(596)	-
<b>Net income / (expenditure) for the financial year</b>		<b>(58,312)</b>	<b>46,592</b>	<b>(58,312)</b>	<b>46,592</b>

All income and expenditure is attributable to continuing operations in each financial year.

## Consolidated Statement of Recognised Gains and Losses

	2011	2010
	£	£
<b>Group and Charity:</b>		
Net (expenditure) / income for the financial year	(58,312)	46,592
Net unrealised (loss) / gain on fixed asset investments	(4,340)	5,618
<b>Net recognised (losses) / gains for the financial year</b>	<b>(62,652)</b>	<b>52,210</b>
<b>Note of Historical Cost Results</b>		
<b>Group and Charity:</b>		
	2011	2010
	£	£
Reported net (expenditure) / income for the financial year	(58,312)	46,592
Realisation of fixed asset investment (losses) of previous years	(2,873)	-
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the relevant amount	3,129	3,129
<b>Historical cost net (deficit) / surplus for the financial year</b>	<b>(58,056)</b>	<b>49,721</b>

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

THE NOTES ON PAGES 94 TO 97 AND THE ACCOUNTING POLICIES ON PAGE 89 FORM PART OF THESE FINANCIAL STATEMENTS.

## Consolidated and Charity Balance Sheets at 31 December 2011

	Notes	Group		Charity	
		2011	2010	2011	2010
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	8	381,036	386,161	381,036	386,161
Listed investments	9	58,350	63,023	58,350	63,023
Unlisted investment	9	11,357	11,982	11,357	11,982
Investment in subsidiary at cost	2	-	-	100	100
		<u>450,743</u>	<u>461,166</u>	<u>450,843</u>	<u>461,266</u>
<b>Current Assets</b>					
Stocks and work in progress	10	64,414	66,202	4,391	6,391
Debtors	11	100,188	112,087	42,975	38,538
Cash at bank and in hand		416,843	472,921	407,653	463,128
		<u>581,445</u>	<u>651,210</u>	<u>455,019</u>	<u>508,057</u>
<b>Creditors</b>					
Amounts falling due within one year	12	<u>277,373</u>	<u>294,909</u>	<u>151,047</u>	<u>151,856</u>
<b>Net Current Assets</b>		<u>304,072</u>	<u>356,301</u>	<u>303,972</u>	<u>356,201</u>
<b>Net Assets</b>		<u>304,072</u>	<u>356,301</u>	<u>303,972</u>	<u>356,201</u>
<b>Funds:</b>					
<b>Unrestricted Funds:</b>					
General fund	14	239,388	276,534	239,388	276,534
Revaluation reserve	16	194,971	198,100	194,971	198,100
Designated funds	14	240,422	271,643	240,422	271,643
<b>Total Unrestricted Funds</b>		<u>674,781</u>	<u>746,277</u>	<u>674,781</u>	<u>746,277</u>
<b>Restricted Funds:</b>					
Restricted income funds	14	80,034	71,190	80,034	71,190
<b>Total Restricted Funds</b>		<u>80,034</u>	<u>71,190</u>	<u>80,034</u>	<u>71,190</u>
<b>Total Funds</b>		<u>754,815</u>	<u>817,467</u>	<u>754,815</u>	<u>817,467</u>

The accounts on pages 91 to 93 were approved by the Council members on 14 March 2012 and are signed on their behalf by:



Sholto Humphries  
President



George McL Wren  
Member of Council



Neil Baxter  
Secretary & Treasurer

Date: 14 March 2012

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

## 1. Membership Subscriptions

	2011	2010
	£	£
Joint subscriptions with RIBA	335,824	347,476
RIAS only subscriptions	162,625	173,644
	<b>498,449</b>	<b>521,120</b>

## 2. Trading Activities and Subsidiary Company

The trading activities of the Royal Incorporation of Architects in Scotland are run by its wholly owned subsidiary company, RIAS Services Limited, which pays over its taxable profits to the Incorporation by gift aid. The Incorporation owns the entire issued share capital of RIAS Services Ltd, comprising 100 ordinary shares of £1 each, which is shown at its cost of £100 in the balance sheet of the charity.

The Incorporation has undertaken to provide financial support to the subsidiary to meet the deficiency in its funds (see below). In view of this, a provision of £2,489 has been made against the valuation of the investment, which is included in creditors in the charity balance sheet (see note 12).

The summarised results of RIAS Services Limited for the year are as follows:

	Services to architects	Publications & products	Consultancy & other	Total 2011	Total 2010
	£	£	£	£	£
Turnover	206,012	71,517	51,573	329,102	395,890
Direct expenditure	115,999	82,335	40,794	239,128	291,145
Administrative support costs	56,125	19,484	14,050	89,659	102,451
Total expenditure	172,124	101,819	54,844	328,787	393,596
Profit for the year				315	2,294
Gift Aid payable to the Incorporation				(315)	(2,294)
Retained by subsidiary company				-	-

The assets and liabilities of the subsidiary company at 31 December 2011 were as follows:

	2011	2010
	£	£
<b>Current Assets</b>		
Stocks and work in progress	60,023	59,811
Amount due from the Incorporation	2,112	28,322
Other debtors	57,213	73,549
Cash at bank	9,190	9,793
	<b>128,538</b>	<b>171,475</b>
<b>Current Liabilities</b>		
Creditors & accruals	(29,121)	(18,773)
Deferred income	(101,806)	(155,091)
<b>Net Liabilities</b>	<b>(2,389)</b>	<b>(2,389)</b>
<b>Net deficiency in shareholder's funds</b>	<b>(2,389)</b>	<b>(2,389)</b>

	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010
<b>3. Grants &amp; Donations Receivable</b>				
	£	£	£	£
Community projects grant (Robertson Trust)	-	15,000	15,000	15,000
James Millar student award	-	4,850	4,850	9,000
ASSA contributions/transfer of funds	-	2,500	2,500	5,324
	-	22,350	22,350	29,324

## 4. Investment Income

	£	£	£	£
Income from UK listed investments	2,892	-	2,892	2,891
Bank interest	5,680	-	5,680	3,818
	8,572	-	8,572	6,709

## 5. Grants & Awards Costs

	£	£	£	£
Chapter grants	30,000	-	30,000	35,000
James Millar student awards	-	4,850	4,850	9,000
Awards medals & other costs	4,685	-	4,685	4,883
Community project grants & expenses	-	8,656	8,656	17,178
	34,685	13,506	48,191	66,061

## 6. Resources Expended

	Membership Activities	Trading Activities	Governance Costs	Total 2011	Total 2010
	£	£	£	£	£
<b>Membership costs:</b>					
RIAS Quarterly journal	48,995	-	-	48,995	54,949
Website development	30,263	-	-	30,263	14,785
Corporate costs	27,665	-	1,647	29,312	24,726
Events, projects & promotion	21,466	-	-	21,466	9,578
Membership staff costs	137,509	-	-	137,509	142,770
Membership support costs	13,345	-	5,185	18,530	19,885
<b>Direct trading expenditure:</b>					
Services to architects	-	115,999	-	115,999	111,238
Publications & products	-	82,335	-	82,335	109,972
Consultancy	-	40,794	-	40,794	69,935
<b>Administrative support costs:</b>					
Management & admin staff	86,408	48,687	22,533	157,628	159,903
Office admin costs	29,421	13,590	2,099	45,110	45,237
Occupancy costs	33,566	15,923	2,605	52,094	46,894
Audit fee	-	-	5,450	5,450	5,700
Irrecoverable VAT on overheads	14,436	-	-	14,436	11,958
Other administrative costs	15,863	11,459	1,743	29,065	33,340
	458,937	328,787	41,262	828,986	860,870
A. Doolan Best Building in Scotland Award				41,585	38,467
Other grants & awards (note 5)				48,191	66,061
Building refurbishment				65,273	11,179
<b>Total resources expended</b>				<b>984,035</b>	<b>976,577</b>

### Resources expended includes the following costs:

<b>Auditors' remuneration:</b>		
for audit work – current year	5,600	5,650
for audit work – previous year adjustments	(150)	50
	5,450	5,700
Depreciation charge	13,431	15,362
Loss on disposal of tangible fixed assets	457	-

## 7. Staff Details

The average numbers of staff and costs (including consultant staff) in each area during the year were as follows:

	2011		2010	
	Number	Cost £	Number	Cost £
Trading activities	4	109,939	4	101,320
Membership activities	4	137,509	4	148,770
Management & administrative support	4	157,628	4	159,903
Totals	12	405,076	12	409,993
<b>Total staff costs are analysed as follows:</b>				
Salaries		340,528		354,536
Social security costs		33,065		34,720
Pension costs		6,917		5,909
Total employed staff		380,510		395,165
Consultant staff		21,864		17,502
Other staff costs		2,702		1,500
Previous year adjustment		-		(4,174)
		405,076		409,993

In both 2011 and 2010, one member of staff had emoluments between £60,000 and £70,000. In addition an amount of £3,438 (2010 - £3,231) was paid into a defined contribution pension scheme for this employee. Travel expenses of £5,185 (2010 - £4,532) were reimbursed to members of Council during the year. No remuneration was paid to members of Council.

## 8. Tangible Fixed Assets

	Office			Total
	Heritable Property	Equipment & Furnishings	Fittings	
	£	£	£	£
<b>Cost or Valuation</b>				
At 1st January 2011	402,712	47,400	74,552	524,664
Additions	-	-	8,763	8,763
Disposals	-	-	(10,364)	(10,364)
At 31st December 2011	402,712	47,400	72,951	523,063
<b>Depreciation</b>				
At 1st January 2011	68,044	18,012	52,447	138,503
Charge for year	5,655	948	6,828	13,431
On disposals	-	-	(9,907)	(9,907)
At 31st December 2011	73,699	18,960	49,368	142,027
<b>Net Book Value</b>				
At 31st December 2011	329,013	28,440	23,583	381,036
At 31st December 2010	334,668	29,388	22,105	386,161

Details of revaluations are given in note 16 below.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

## 9. Fixed Asset Investments

	2011	2010
	£	£
<b>Listed UK Securities:</b>		
Market value at 1 January 2011	61,502	52,221
Add: Acquisitions at cost	10,939	4,137
Less: Disposals at opening book value	(11,545)	0
Net (loss) / gain on revaluation	(3,715)	5,144
	<u>57,181</u>	<u>61,502</u>
Cash at bank awaiting investment	1,169	1,521
Market value at 31 December 2011	<b>58,350</b>	63,023
Historical cost at 31 December 2011	<b>58,888</b>	62,718

The following investments are considered material, having a market value in excess of 10% of the total value of the portfolio:

	Market Value
	£
20,000 Threadneedle Invs Equity Alpha Income 'B' Inc	9,322
20,000 Schroder Income Maximiser Fund A Inc	7,314
4,500 Aberdeen Asian Inc trust ord NPV	7,566
1,750 Law Debenture Corp ord 5p	5,836
5,000 International Public Partnership ord	<u>6,045</u>
<b>Unlisted investment:</b>	
Valuation at 1 January 2011	11,982
Net (loss) / gain on revaluation	(625)
Valuation at 31 December 2011	<u>11,357</u>

The unlisted investment comprises 2,500 shares, at a historical cost of £2,500, in Scottish Building Contract Committee Ltd, representing a one sixth share. The valuation has been based on the net asset value of the company according to its latest available audited balance sheet at 30 April 2011.

## 10. Stocks & Work in Progress

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Bookshop stock for resale	26,678	21,626	-	-
Publishing stock - completed titles	16,776	24,966	-	-
Publishing stock - work in progress	16,569	13,219	-	-
Stationery & medals	4,391	6,391	4,391	6,391
	<u>64,414</u>	<u>66,202</u>	<u>4,391</u>	<u>6,391</u>

## 11. Debtors

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
<b>Due within one year:</b>				
Trade debtors	21,165	38,533	13,752	16,548
Accrued income	60,551	62,221	11,051	11,452
Prepayments	13,992	9,584	13,692	9,284
Amount due from				
Martin Jones Award Trust	4,183	-	4,183	-
Other debtors	297	1,749	297	1,254
	<u>100,188</u>	<u>112,087</u>	<u>42,975</u>	<u>38,538</u>

## 12. Creditors

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Provision for deficiency in subsidiary funds (note 2)	-	-	2,489	2,489
Amount due to subsidiary company	-	-	2,112	28,322
Trade creditors	22,390	31,998	14,663	21,322
Taxation and social security	15,800	24,458	15,800	24,080
Accruals & other creditors	72,055	79,274	50,661	71,555
Deferred income (note 13)	167,128	158,598	65,322	3,507
Amount held for				
Martin Jones Award Trust	-	581	-	581
	<u>277,373</u>	<u>294,909</u>	<u>151,047</u>	<u>151,856</u>

## 13. Deferred Income

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Opening Balance at 1 January	158,598	167,066	3,507	40,052
Amount released to incoming resources	(75,115)	(78,779)	(3,507)	(38,748)
Amount deferred in year	83,645	70,311	65,322	2,203
Closing Balance at 31 December	<u>167,128</u>	<u>158,598</u>	<u>65,322</u>	<u>3,507</u>

Deferred income at 31 December 2011 comprises income received in advance for publishing, prepaid membership and practice services subscriptions and funding received in advance for projects.

#### 14. Movements in Funds

	Net					At 31/12/11
	At 1/1/11	Incoming Resources	Resources Expended	Investment Gain/(Loss)	Transfers	
	£	£	£	£	£	£
<b>Restricted Income Funds:</b>						
Awards and prizes	7,334	4,850	(4,850)	-	-	7,334
Benevolent fund	51,646	-	-	-	-	51,646
Community Projects	6,886	15,000	(8,656)	-	-	13,230
ASSA fund	5,324	2,500	-	-	-	7,824
<b>Total Restricted</b>	<b>71,190</b>	<b>22,350</b>	<b>(13,506)</b>	<b>-</b>	<b>-</b>	<b>80,034</b>
<b>Designated Funds:</b>						
Fixed asset fund	188,061	-	(13,431)	-	11,435	186,065
Unlisted investment	11,982	-	-	(625)	-	11,357
IT development	30,000	-	(30,000)	-	-	-
Refurbishment costs	34,000	-	(34,000)	-	40,000	40,000
Other designated funds	7,600	-	(7,600)	-	3,000	3,000
	271,643	-	(85,031)	(625)	54,435	240,422
<b>General Fund</b>	<b>276,534</b>	<b>903,969</b>	<b>(885,498)</b>	<b>(4,311)</b>	<b>(51,306)</b>	<b>239,388</b>
<b>Revaluation Reserve</b>	<b>198,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,129)</b>	<b>194,971</b>
<b>Total Unrestricted</b>	<b>746,277</b>	<b>903,969</b>	<b>(970,529)</b>	<b>(4,936)</b>	<b>-</b>	<b>674,781</b>
<b>Total Funds</b>	<b>817,467</b>	<b>926,319</b>	<b>(984,035)</b>	<b>(4,936)</b>	<b>-</b>	<b>754,815</b>

#### Notes on Restricted Funds:

The **awards and prize funds**, arising from donations, are applied for designated areas of architectural achievement. The **Benevolent Fund** is for the assistance of architects or their dependents who are in financial need. The **Scottish Community Projects Fund** (SCPF) provides assistance with feasibility studies for projects intended to benefit local communities. The **ASSA fund** comprises funds transferred from the former Association of Scottish Schools of Architecture (ASSA) and subsequent contributions, which are to be applied in accordance with the objectives of ASSA.

#### Notes on Designated Funds:

The **fixed asset fund** represents the net book value of tangible fixed assets, net of the revaluation reserve. This distinguishes the book value of these assets from the more readily realisable assets represented by the **general fund** (being the value of net current assets and unrestricted listed investments). Annual depreciation is charged to the fund and adjustments made by transfers for additions and disposals in the year and the movement in the revaluation reserve.

Likewise the **unlisted investment fund** represents the valuation of the unlisted investment (see note 9), which is held in a designated fund, as not representing a readily realisable asset.

The **IT development fund** was designated for website

development and an improved members' database and was fully expended during the year.

An amount of £34,000 was designated for **refurbishment costs** during 2011 and was fully expended during the year. A further £40,000 has been designated for refurbishment costs in 2012.

**Other designated funds** of £5,000 for the visit of Pasqual Maragall to Scotland in February 2011 and £2,600 for restoration of furnishings were expended during the year. An amount of £3,000 has been set aside for Chapter grants, which is in addition to a balance of £8,350 remaining in creditors from previous years.

#### 15. Analysis of Net Assets Representing Funds

	Restricted Funds		Revaluation Reserve		Total Funds
	Designated	General	General	Reserve	
	£	£	£	£	£
<b>Fund balances at 31 December 2010 are represented by:</b>					
Tangible fixed assets	-	186,065	-	194,971	381,036
Investments	-	11,357	58,350	-	69,707
Stocks and work in progress	-	-	64,414	-	64,414
Debtors	4,850	-	95,338	-	100,188
Cash at bank and in hand	96,419	43,000	277,424	-	416,843
Creditors due in one year	(21,235)	-	(256,138)	-	(277,373)
<b>Net Assets</b>	<b>80,034</b>	<b>240,422</b>	<b>239,388</b>	<b>194,971</b>	<b>754,815</b>

#### 16. Revaluation Reserve

The revaluation reserve represents the following:

	Excess over book value
	£
Heritable property at 15 Rutland Square revalued at open market value of £240,000 in January 1987	225,473
Antique & fine art furnishings valued at open market value of £46,050 in January 1988	43,722
Less accumulated depreciation charged on revalued amount	(74,224)
<b>Balance on revaluation reserve at 31 December 2011</b>	<b>194,971</b>

Since the original revaluations, the trustees have adopted a policy not to revalue fixed assets which are for the Incorporation's own use. However, in their opinion, current valuations are considerably in excess of those included in the accounts. The fixed asset figures (note 8) also include the cost of improvements and acquisitions since the revaluations were carried out.

#### 17. Related Party Transactions

Fees and expenses of £1,682 for consultancy work were paid to Richard Atkins, a member of Council, during the year.