



# RIAS

The Royal Incorporation  
of Architects in Scotland

# Annual Report 2012

OPERA · NOSTRARUM  
MANUUM · DIRIGERE

This Annual Report was originally printed in  
*RIAS Quarterly* issue 14, Summer 2013.

# 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

### Past President

David Dunbar PPRIAS

### Hon Treasurer

George Wren PPRIAS

## Chapter Presidents

### Aberdeen Society of Architects

Murray Restrup

### Dundee Institute of Architects

Fraser Middleton

### Edinburgh Architectural Association

Dermott Paterson

### Glasgow Institute of Architects

Michael Jarvis *from May 2012*

Ian Hamilton *to May 2012*

### Inverness Architectural Association

Andy Bruce FRIAS *from May 2012*

Calum Maclean *to May 2012*

### Stirling Society of Architects

Stephen Lynas FRIAS

## Council Members

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

#### *From May 2012*

Gordon Anderson, Richard Atkins, Stuart Bagshaw, Andrew Bruce, Donald Canavan, Iain Connelly, Hugh Crawford, Colin Doig, Allan Cumming, Jocelyn Cunliffe, 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, Chris Stewart, Ian Stewart, Mike Towers, Willie Watt, Ged Young

#### *To 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

## Senior Staff Members during the year

### Secretary & Treasurer

Neil Baxter

### Depute Secretary

Sharon McCord *until November 2012*

## 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

## END OF TERM REPORT BY PAST PRESIDENT SHOLTO HUMPHRIES

The last two years, my term as RIAS President, has been something of a blur. It is only when you take the time to review just what has been achieved by our members, the Chapters and HQ that you realise just how much we need the RIAS and just how much it does. I am always delighted to read the RIAS annual reports. Not only are they awash with positivity and achievement but, remarkably, we somehow manage to keep the balance sheet in the black.

The governance of the Incorporation and its Chapters undoubtedly must look, from the outside, to be stodgy, bureaucratic and frankly, old fashioned. Then you consider what excellent work is being done voluntarily by our finely honed committees, the breadth of endeavour by the Chapters and how all this feeds into Council which makes some pretty crunchy decisions on behalf of the profession. It all starts to look rather professional, very democratic and actually reasonably efficient.

In an era when just about every organisation, barring the Government and

ourselves, is moving away from large scale, representative governance towards more exclusive 'cabinet' models, where a dozen or so individuals get to rule to roost, I am proud that we maintain a 45 (or so) member Council, that our meetings reach cogent decisions and that clear instruction is given to the RIAS staff.

The following pages report on rising membership, ever growing influence, a plethora of good events, positive liaison with the education sector and a splendid, fit for purpose, new awards system. RIAS online communications are an excellent example of an area where we are steadily doing more and better. The website and our bi-monthly ebulletins, areas where our late, much lamented Depute Secretary, Sharon McCord Hon FRIAS, did an excellent job of modernisation, continue to be a key source of information and to encourage more olde-worlde interaction, like meetings and events.

We will shortly, formally launch the truly remarkable new Directory. The

volume of information, images and projects illustrated in this excellent new source-work is fantastic and inspiring. Over 7000 images demonstrate just what contemporary Scottish architects are up to and will, I suspect, become a crucial archive in the future. Now it is, more or less, up and running, the online Directory, from what I've observed, the best of its type anywhere, will become a, constantly updated, crucial tool for all clients who want to commission a Scottish architect.

We continue to engage with Government and numerous public bodies very effectively, we publish, reward achievement and enjoy ever expanding goodwill from an excellent cadre of Honorary Fellows. We have, as ever, much to be proud of but nothing to be complacent about. Onwards and upwards comrades.



SHOLTO HUMPHRIES  
PAST PRESIDENT

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2012

**The members of Council of the Royal Incorporation of Architects in Scotland are pleased to present their report for the year ended 31 December 2012. This report is prepared in accordance with the Charter and Bye-Laws 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 above.

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 object of the Incorporation is to promote the value of architecture and architects in Scotland. The full list of Objects 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/Landmark Trust Series of Illustrated Architectural Guides and other titles. The Incorporation also produces an on-line Directory of Practices with an associated publication and produces a quarterly journal and learned society publications.

### **Achievements and Performance**

#### **Membership**

Active recruitment of past students, previous members and new student members saw the Incorporation welcome 102 full members, 251 students, 2 Affiliates and 21 reinstatements. 23 Fellowships and 9 Hon Fellowships were awarded. Regrettably, 38 deaths were reported and 50 members resigned.

Due to 44 retirements and 48 removals for non-payment, we are down on fee paying membership by 29 but have 52 more members overall than in 2011. The overall increase

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2012

means that our member count reached 4,188, a record high.

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

Our media profile has continued positive, with excellent coverage on television, radio and in specialist and general press, running to 118 substantive articles at national level and a very significant number of items in local press from the Chapters. The President and/or Secretary met a number of SNP backbenchers and senior opposition members, including Ruth Davidson, Linda Fabiani, Patricia Ferguson, Iain Gray, Mike Mackenzie, Pauline McNeill and Jean Urquhart. The President and Secretary had constructive exchanges with A+DS Chair, Karen Anderson and CEO, Jim MacDonald and with RIBA President, Angela Brady and CEO, Harry Rich. Liaison continued with the Dutch Embassy. In December the Cabinet Secretary, Fiona Hyslop MSP, met with PPC prior to Council for a very constructive discussion on an agenda which included procurement and 2016.

### **Events**

The Aberdeen Convention included presentations from many major international figures, including Kengo Kuma, Charles Renfro and Morten Schmidt. Our Cross Party Group at the Parliament hosted lively meetings on the new Architecture Policy and the Procurement Reform Bill Consultation. Our participation in the annual Festival of Politics at the Parliament 'Scotland – Is There a 'There' Here?' got very good feedback and the Secretary also contributed to the George Wyllie Hon FRIAS memorial event in the Festival. The *Future of Scotland's Past* and *Procurement* seminars held in Edinburgh were very well attended. The Fellows' annual

Summer and Winter Receptions were busy and convivial. Paul Finch OBE Hon FRIAS addressed the Fellows Dinner.

### **HQ and Governance**

The Incorporation's corporate strategy for 2012 to 2016 was approved at March 2012 Council. A programme of maintenance included comprehensive modernisation of the two large basement offices of 15 Rutland Square. Our website has received a further upgrade. Improved financial reporting has significantly contributed to the efficiency of our annual audit and the audit fee remains pinned at the favourable rate negotiated in 2010.

Malcolm Cooper Hon FRIAS was briefly employed as Director: Governance/External Relations but left for personal reasons. Dr Deborah Mays Hon FRIAS was initially employed as Director: Projects and Chief Executive of SBCC and is now Assistant Secretary and CEO of SBCC. Stuart Bryce was employed as Bookshop Manager. Nicola Regan, p/t Senior Bookshop Assistant left in autumn 2012 after three years and Sharon McCord Hon FRIAS, Depute Secretary from early 2008 sadly died on 11th November 2012 – she is very much missed.

### **Practice**

The RIAS has been represented in stakeholder groups and planning working groups run by the Scottish Government, and has responded to consultations on a range of topics. 2012 saw a significant upturn in certification activity. RIAS-Energy Design Certification Approved Certifiers of Design (Section 6 - Energy) Domestic have now certified 1,450 domestic dwellings with warrantable works valued at over £150m. The RIAS - EDC audit by the Building Standards Division of the Scottish

Government was successfully completed in November 2012 with comments ranging from satisfactory to excellent. Our Energy Design Scheme has 63 accredited certifiers. Meetings with the CEO of the Scottish Futures Trust, Barry White, helped to clarify SFT HubCo commissioning anomalies.

In response to the UK statutory bodies' joint re-appraisal of accreditation schemes in conservation architecture the RIAS conservation accreditation scheme re-introduced monitoring in December 2011. The number of applications rose to 39 in 2012. The conservation assessors list has been expanded to 29 to respond to demand.

### **Education/CPD**

Five James Miller Student (hardship) Awards were given, totaling £4250. 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**

71 submissions for the inaugural RIAS Awards (a record for any Scottish national architectural award) resulted in 18 awards. The Lifetime Achievement Award went to Prof Sir James Dunbar-Nasmith CBE PPRIAS at the Awards Dinner in Glasgow. The touring exhibition of the 2011 Doolan Award visited 13 venues throughout the Chapters. The RIAS Andrew Doolan Best Building in Scotland Award 2012 was judged by Professor Andy MacMillan OBE FRIAS, Ian Gilzean FRIAS, Kerr Robertson FRIAS and Daphne Thissen Hon FRIAS and the award to OMA for the Maggie's Centre at Gartnavel, Glasgow was presented by the Cabinet Secretary and Mrs Margaret Doolan

Hon FRIAS at the Parliament in November.

The annual RIAS/A+DS student awards were judged by President Sholto Humphries, Professor Kathryn Findlay, Steve Malone of A+DS and Scottish Government Principal Architect, Sandy Robinson. The Rowand Anderson Silver Medal was won by Sam Wilson from the University of Dundee. The RIAS Scottish Community Projects Fund approved grants for 16 projects to a total of £16,900 and the Incorporation contributed £5,000 to support three very worthy BBC Beechgrove Garden community garden projects.

### Consultancy/Competitions

The competition for the 'Kelpies' viewing and visitor facilities was won by Nicoll Russell Studios and announced in February 2012. S&P Architects were selected for Live Active Leisure, Perth with the Sweett Group appointed as QS and David Adamson Group as CDM Co-ordinator. The international competition for the redevelopment of George Square, Glasgow was launched.

### Publishing

The publication by Ian Stuart Campbell Hon FRIAS, *The Architectural Tourist*, in memory of the late RIAS Depute Secretary, Sharon McCord Hon FRIAS was launched at the end of the year and continues to sell well. All proceeds are going to the St Columba's Hospice in Edinburgh.

### Chapters

The Chapters continue to provide lively and varied CPD, awards, political lobbying and other events fully reported in the *Quarterly*. All the Chapters awards programmes feed into the Doolan Award.

### Consultations

The Incorporation responded to Scottish Government consultations on Airtightness and Air Quality, Fees for Planning Applications, Development Delivery, Development Plan Examinations, Miscellaneous Amendments to the Planning System, General Permitted Development Orders, The Policy on Architecture and Placemaking for Scotland, Homes That Don't Cost the Earth, the Procurement Reform Bill, BSD Sections 'o General', '2 Fire', '3 Environment', '4 Safety' and '7 Sustainability', also Edinburgh Council's Options Survey on Private Buildings in Shared Ownership and the review on the Royal Commission on the Ancient and Historic Monuments of Scotland.

### Honorary Fellowships

Honorary Fellowships were awarded to Patricia Chalmers MBE, Paul Finch OBE, Dr Deborah Mays, Prof. Mona Siddiqui OBE, Lord Chris Smith, Karyn Watt, Dr Eusebio Leal Spengler, the Havana City Historian and John Gifford MBE.

### Future Plans

In addition to improved 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 Humphries, Past President Dunbar, PPC and Council, the Secretary and the staff

team are commended for their hard work throughout 2012.

### Financial Review and Results for the Year

The results for the year are set out in the Statement of Financial Activities (SOFA) on page 14, 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 overall result for the year, as set out in the SOFA, shows an increase in funds of £211,851 but this includes an amount of £199,687 for the Martin Jones Award Fund, which was transferred in as an endowment fund from the separate charity of that name at 1 January 2012 (see further details below). Leaving this aside there was a net increase in funds of £12,164 in the year, comprising an increase of £19,482 in unrestricted funds and a decrease of £7,318 in restricted income funds. This compares to an overall decrease in funds of £62,652 in 2011, but that year included exceptional expenditure of £65,273 on refurbishment costs.

The main source of income for the Incorporation is membership subscriptions and these showed a very slight increase in the year (under 0.5%) providing income of £500,424, which represents 54% of the unrestricted gross income for the year. Some reduction in this source had been anticipated and this is an excellent result, given the prevailing economic conditions.

There was a reorganisation of the architectural awards and prizes during the

# REPORT OF THE COUNCIL

## FOR THE YEAR ENDED 31 DECEMBER 2012

year to bring these together with a single entry fee and to hold an annual dinner in conjunction with award presentations as well as the continuing annual event for the Doolan award. The presentation of activities in the SOFA has been altered to reflect this change and also to include other grant income and expenditure under the heading 'Awards and Grants' with analysis given in notes 3 and 5 to the accounts. At the same time chapter grants have been moved into membership costs, where they more rightly belong, and the relevant comparative figures in 2011 have been altered to give a like for like comparison.

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 18 and show a net profit of just £2,348 in what was another difficult year for sales of goods and services and obtaining sponsorship for events.

Expenditure on membership activities has reduced slightly but the previous year included exceptional expenditure on website development of £30,263 and more direct expenditure on events. In contrast to this there has been an increase in the staff resources expended on membership activities with the average number of staff increasing from 4 to 5 (including increased work on awards). As noted above chapter grants are now included in membership costs.

The restricted income 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 (see note 14). Grants and donations of £47,290 in total were received

and expended for the Doolan award, the Timber awards and the James Millar student award. There was no grant income for SCPF this year and net expenditure on grants awarded has reduced the balance on this fund to £5,912 with alternative sources of funds being actively sought.

As mentioned above, the net assets and operations of the former Martin Jones Award Trust (Scottish charity SC 036825) were transferred to the Incorporation, as an endowment fund, at 1 January 2012 with the agreement of OSCAR. Since the administration for the former charity was being carried out by the Incorporation in any case, it seemed unnecessary to run its affairs as a separate entity. Details of the net assets transferred, amounting to £190,961, are shown in note 18 and included listed investments of £163,114 at valuation. During the year dividends and interest of £4,808 were received, awards of £7,500 and investment management fees of £1,029 were paid and there was an increase of £12,447 in the value of the investment portfolio, resulting in a balance of £199,687 carried forward.

### **Investments**

The Incorporation relies on advice from external investment advisers in managing its listed investments. There was a net gain over the year of £12,448 on listed investments held in the general fund as well as the increase of £12,447 in the Martin Jones fund referred to above.

The Incorporation holds one sixth of the share capital of Scottish Buildings Contract Committee Ltd (SBCC) as an unlisted investment. The estimated valuation of this investment, based on the latest available balance sheet, is £15,813 - an increase of £4,456 in the year (see note 9).

During the year the Incorporation also purchased a rare book, an original volume of poems by Robert Burns, 'The Kilmarnock Edition', at a cost of £40,250. This is held as a longer term investment and current market value is considered to approximate to cost.

### **Funds & Reserves Policy**

The various funds of the Incorporation and movements over the year are detailed in note 14 on page 22. A total of £245,546 is held in designated funds. Of this £239,546 represents tangible fixed assets and unlisted investments, which are not readily realisable. The balance of £6,000 has been set aside as a contingency fund for non-routine expenditure by the Chapters. There remains a balance of £260,663 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 £188,054 with the balance of £183,483 in the designated fixed asset fund (£371,537 in total). The written down amounts of £323,358 for heritable property and £24,309 for antique and fine art furnishings include assets 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 reduction of 5% in gross subscription income and reduced income in some other areas has been budgeted for 2013. There is a continuing drive to obtain more sponsorship and grant income for other activities, which is showing signs of success. Balancing the budget continues 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  
13TH MARCH 2013

# AUDITOR'S REPORT

## INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF THE ROYAL INCORPORATION OF ARCHITECTS IN SCOTLAND FOR THE YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of The Royal Incorporation of Architects in Scotland for the year ended 31 December 2012, 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 pages 83-87, 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 2012 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  
14th March 2013

*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).

The charity 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 income and expenditure in the Statement of Financial Activities and the

accompanying notes, relating to membership activities and awards & grants, has been allocated differently in 2012, in order to reflect more accurately the activities of the charity. The 2011 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 2012:

Membership activities	65% (2011 – 60%)
Trading activities	30% (2011 – 35%)
Governance costs	5% (2011 – 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

# ACCOUNTING POLICIES

Standard 15 ‘Tangible Fixed Assets,’ the property, 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.

Both the heritable property and the antique and fine art furnishings are depreciated at 2% per annum on a straight line basis. The land associated with the property has 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.

Investments in unlisted companies are stated at trustees’ valuation, based on the net asset value shown by the most recent annual accounts.

Other investments, comprising a rare book, are stated at trustees’ valuation and revalued at least every five years, subject to obtaining advice on the possibility of material movements between valuations.

## 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.

The *Martin Jones Endowment Fund* is an expendable endowment fund, as more fully described in note 18.

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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>Endowment Fund</i>	<i>Total 2012</i>	<i>Total 2011</i>
		£	£	£	£	
<b>Incoming Resources from charitable activities:</b>						
Membership subscriptions	1	500,424	-	-	500,424	498,449
Membership activities		35,849	-	-	35,849	24,906
Awards & grants income	3	37,773	47,290	-	85,063	63,790
<b>Incoming Resources from generated funds:</b>						
<i>Trading activities:</i>						
Services to architects	2	194,298	-	-	194,298	206,012
Publications & products	2	94,798	-	-	94,798	71,517
Consultancy & other services	2	56,631	-	-	56,631	51,573
Investment income	4	9,234	-	4,808	14,042	8,572
<b>Other incoming resources:</b>						
Transfer in of net assets of Martin Jones Award Fund	18	-	-	190,961	190,961	-
Other income		4,181	-	-	4,181	1,500
<b>Total Incoming Resources</b>		<u>933,188</u>	<u>47,290</u>	<u>195,769</u>	<u>1,176,247</u>	<u>926,319</u>
<b>Resources Expended</b>						
<b>Charitable activities:</b>						
Membership activities	6	479,502	-	-	479,502	488,937
Awards & grants expenditure	5	33,351	54,608	8,529	96,488	59,776
Building refurbishment		26,432	-	-	26,432	65,273
<b>Costs of generating funds:</b>						
<i>Trading activities:</i>						
Services to architects	2	161,051	-	-	161,051	172,124
Publications & products	2	121,338	-	-	121,338	101,819
Consultancy & other sources	2	60,990	-	-	60,990	54,844
<b>Governance costs</b>	6	43,490	-	-	43,490	41,262
<b>Total Resources Expended</b>		<u>926,154</u>	<u>54,608</u>	<u>8,529</u>	<u>989,291</u>	<u>984,035</u>
<b>Net Incoming / (Outgoing) Resources before other recognised gains and losses</b>						
		7,034	(7,318)	187,240	186,956	(57,716)
<b>Other recognised gains and losses</b>						
Net gain / (loss) on investment assets		12,448	-	12,447	24,895	(4,936)
<b>Net Movement in Funds</b>		19,482	(7,318)	199,687	211,851	(62,652)
Funds brought forward		674,781	80,034	-	754,815	817,467
<b>Funds carried forward</b>	14	694,263	<u>72,716</u>	<u>199,687</u>	<u>966,666</u>	<u>754,815</u>

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2012

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	
		2012	2011	2012	2011
		£	£	£	£
<b>Income:</b>					
Membership subscriptions	1	500,424	498,449	500,424	498,449
Membership activities		35,849	24,906	35,849	24,906
Awards & grants income	3	85,063	63,790	85,063	63,790
Turnover from trading activities	2	345,727	329,102	-	-
Gift aid donation due from subsidiary		-	-	2,348	315
Recharge of support costs to subsidiary		-	-	73,563	89,659
Investment income	4	14,042	8,572	14,042	8,572
Other incoming resources		4,181	1,500	4,181	1,500
<b>Total income</b>		<b>985,286</b>	<b>926,319</b>	<b>715,470</b>	<b>687,191</b>
<b>Expenditure:</b>					
Membership activities	6	479,502	488,937	479,502	488,937
Awards & grants expenditure	6	96,488	59,776	96,488	59,776
Building refurbishment	6	26,432	65,273	26,432	65,273
Expenditure on trading activities	6	343,379	328,787	73,563	89,659
Governance costs	6	43,490	41,262	43,490	41,262
<b>Total expenditure</b>		<b>989,291</b>	<b>984,035</b>	<b>719,475</b>	<b>744,907</b>
<b>Net operating (expenditure) for the year</b>		<b>(4,005)</b>	<b>(57,716)</b>	<b>(4,005)</b>	<b>(57,716)</b>
Net realised gain / (loss) on sale of fixed asset investments		942	(596)	942	(596)
<b>Net (expenditure) for the financial year</b>		<b>(3,063)</b>	<b>(58,312)</b>	<b>(3,063)</b>	<b>(58,312)</b>

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

### Consolidated Statement of Recognised Gains and Losses

	2012	2011
	£	£
<b>Group and Charity:</b>		
Net (expenditure) for the financial year	(3,063)	(58,312)
Net unrealised gain / (loss) on fixed asset investments	23,953	(4,340)
Transfer in of net assets of Martin Jones Award Fund (note 18)	190,961	-
Net recognised gains / (losses) for the financial year	<b>211,851</b>	<b>(62,652)</b>
<b>Note of Historical Cost Results</b>		
<b>Group and Charity:</b>		
Reported net income / (expenditure) for the financial year	(3,063)	(58,312)
Realisation of fixed asset investment gains / (losses) of previous years	2,424	(2,873)
Realisation of revaluation gains of prior years relating to antique and fine art furnishings	3,877	-
Difference between the historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	3,040	3,129
<b>Historical cost net surplus / (deficit) for the financial year</b>	<b>6,278</b>	<b>(58,056)</b>

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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

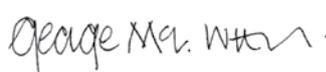
## Consolidated and Charity Balance Sheets at 31 December 2012

	Notes	Group		Charity	
		2012	2011	2012	2011
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	8	371,537	381,036	371,537	381,036
Listed Investments	9	245,051	58,350	245,051	58,350
Unlisted investments	9	56,063	11,357	56,063	11,357
Investment in subsidiary at cost	2	-	-	100	100
		<u>672,651</u>	<u>450,743</u>	<u>672,751</u>	<u>450,843</u>
<b>Current Assets</b>					
Stocks and work in progress	10	55,500	64,414	7,032	4,391
Debtors	11	101,530	100,188	40,192	42,975
Cash at bank and in hand		383,859	416,843	374,038	407,653
		<u>540,889</u>	<u>581,445</u>	<u>421,262</u>	<u>455,019</u>
<b>Creditors</b>					
Amounts falling due within one year	12	246,874	277,373	127,347	151,047
<b>Net Current Assets</b>					
		<u>294,015</u>	<u>304,072</u>	<u>293,915</u>	<u>303,972</u>
<b>Net Assets</b>					
		<u>966,666</u>	<u>754,815</u>	<u>966,666</u>	<u>754,815</u>
<b>Funds:</b>					
<b>Unrestricted Funds:</b>					
General fund	14	260,663	239,388	260,663	239,388
Revaluation reserve	16	188,054	194,971	188,054	194,971
Designated funds	14	245,546	240,422	245,546	240,422
<b>Total Unrestricted Funds</b>		<u>694,263</u>	<u>674,781</u>	<u>694,263</u>	<u>674,781</u>
<b>Restricted Funds:</b>					
Endowment fund	14	199,687	-	199,687	-
Restricted income funds	14	72,716	80,034	72,716	80,034
<b>Total Restricted Funds</b>		<u>272,403</u>	<u>80,034</u>	<u>272,403</u>	<u>80,034</u>
<b>Total Funds</b>		<u>966,666</u>	<u>754,815</u>	<u>966,666</u>	<u>754,815</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: 13th March 2013

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

## 1. Membership Subscriptions

	2012	2011
	£	£
Joint subscriptions with RIBA	342,364	335,824
RIAS only subscriptions	158,060	162,625
	<b>500,424</b>	<b>498,449</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 2012	Total 2011
	£	£	£	£	£
Turnover	194,298	94,798	56,631	345,727	329,102
Direct expenditure	119,709	101,167	48,940	269,816	239,128
Administrative support costs	41,342	20,171	12,050	73,563	89,659
Total expenditure	161,051	121,338	60,990	343,379	328,787
Profit for the year				2,348	315
Gift Aid payable to the Incorporation				(2,348)	(315)
Retained by subsidiary company				-	-

The assets and liabilities of the subsidiary company at 31 December 2012 were as follows:

	2012	2011
	£	£
<b>Current Assets</b>		
Stocks and work in progress	48,468	60,023
Amount due from the Incorporation	9,617	2,112
Other debtors	61,338	57,213
Cash at bank	9,821	9,190
	<b>129,244</b>	<b>128,538</b>
<b>Current Liabilities</b>		
Creditors & accruals	(27,192)	(29,121)
Deferred income	(104,441)	(101,806)
<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 Income Funds	Endowment Fund	Total 2012	Total 2011
--	--------------------	-------------------------	----------------	------------	------------

## 3. Awards and Grants Income

	£	£	£	£	£
Doolan Award grant & donation	-	35,000	-	35,000	35,000
Timber awards	-	7,000	-	7,000	-
Awards entry fees & other income	32,773	-	-	32,773	6,440
James Millar student award	-	5,290	-	5,290	4,850
SELECT sponsorship	5,000	-	-	5,000	-
Community projects grant	-	-	-	-	15,000
ASSA contributions	-	-	-	-	2,500
	<b>37,773</b>	<b>47,290</b>	<b>-</b>	<b>85,063</b>	<b>63,790</b>

## 4. Investment Income

	£	£	£	£	£
Income from listed investments	2,887	-	4,764	7,651	2,892
Bank interest	6,347	-	44	6,391	5,680
	<b>9,234</b>	<b>-</b>	<b>4,808</b>	<b>14,042</b>	<b>8,572</b>

## 5. Grants & Awards Costs

	£	£	£	£	£
Doolan Award prize	-	25,000	-	25,000	25,000
Timber awards	-	7,000	-	7,000	-
Martin Jones prize & other costs	-	-	8,529	8,529	-
James Millar student awards	-	5,290	-	5,290	4,850
Awards events & staff costs	33,351	10,000	-	43,351	21,270
Community project grants	-	7,318	-	7,318	8,656
	<b>33,351</b>	<b>54,608</b>	<b>8,529</b>	<b>96,488</b>	<b>59,776</b>

## 6. Resources Expended

	Membership Activities	Trading Activities	Governance Costs	Total 2012	Total 2011
	£	£	£	£	£
<b>Membership costs:</b>					
Chapter grants	31,917	-	-	<b>31,917</b>	30,000
RIAS Quarterly journal	46,531	-	-	<b>46,531</b>	48,995
Website development	3,529	-	-	<b>3,529</b>	30,263
Corporate costs	27,971	-	1,773	<b>29,744</b>	29,312
Events, projects & promotion	12,279	-	-	<b>12,279</b>	21,466
Membership staff costs	160,662	-	-	<b>160,662</b>	137,509
Membership support costs	6,270	-	5,523	<b>11,793</b>	18,530
<b>Direct trading expenditure:</b>					
Services to architects	-	119,709	-	<b>119,709</b>	115,999
Publications & products	-	101,167	-	<b>101,167</b>	82,335
Consultancy	-	48,940	-	<b>48,940</b>	40,794
<b>Administrative support costs:</b>					
Management & admin staff	94,465	40,486	24,232	<b>159,183</b>	157,628
Office admin costs	30,133	10,535	2,140	<b>42,808</b>	45,110
Occupancy costs	34,084	12,889	2,472	<b>49,445</b>	52,094
Audit fee	-	-	5,425	<b>5,425</b>	5,450
Irrecoverable VAT on overheads	13,766	-	-	<b>13,766</b>	14,436
Other administrative costs	17,895	9,653	1,925	<b>29,473</b>	29,065
	<u>479,502</u>	<u>343,379</u>	<u>43,490</u>	<b><u>866,371</u></b>	<u>858,986</u>
Awards & grants expenditure (note 5)				<b>96,488</b>	59,776
Building refurbishment				<b>26,432</b>	65,273
<b>Total resources expended</b>				<b><u>989,291</u></b>	<u>984,035</u>
<b>Resources expended includes the following costs:</b>					
<b>Auditors' remuneration:</b>					
for audit work – current year				<b>5,500</b>	5,600
for audit work – previous year adjustments				<b>(75)</b>	150
				<b><u>5,425</u></b>	<u>5,450</u>
Depreciation charge				<b>13,093</b>	13,431
Loss on disposal of tangible fixed assets				<b>1,081</b>	457

## 7. Staff Details

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

	2012		2011	
	Number	Cost £	Number	Cost £
Trading activities	5	<b>130,506</b>	4	109,939
Membership activities (including awards)	5	<b>170,663</b>	4	137,509
Management & administrative support	4	<b>159,184</b>	4	157,628
Totals	<u>14</u>	<b><u>460,353</u></b>	<u>12</u>	<u>405,076</u>

Total staff costs are analysed as follows:

	£	£
Salaries	<b>393,027</b>	340,528
Social security costs	<b>38,835</b>	33,065
Pension costs	<b>10,092</b>	6,917
Total employed staff	<b>441,954</b>	380,510
Consultant staff	<b>15,150</b>	21,864
Other staff costs	<b>3,249</b>	2,702
	<b><u>460,353</u></b>	<u>405,076</u>

In both 2012 and 2011, one member of staff had emoluments between £60,000 and £70,000. In addition an amount of £3,778 (2011 - £3,438) was paid into a defined contribution pension scheme for this employee. Travel expenses of £5523 (2011 - £5,185) were reimbursed to members of Council during the year. No remuneration was paid to members of Council.

## 8. Tangible Fixed Assets

	Heritable Property		Furniture, Fittings & Equipment		Total
	£	£	£	£	
<b>Cost or Valuation</b>					
At 1st January 2012	402,712	47,400	72,951		<b>523,063</b>
Additions	-	780	7,978		<b>8,758</b>
Disposals	-	(6,805)	(5,273)		<b>(12,078)</b>
At 31st December 2012	<u>402,712</u>	<u>41,375</u>	<u>75,656</u>		<b><u>519,743</u></b>
<b>Depreciation</b>					
At 1st January 2012	73,699	18,960	49,368		<b>142,027</b>
Charge for year	5,655	828	6,610		<b>13,093</b>
On disposals	-	(2,722)	(4,192)		<b>(6,914)</b>
At 31st December 2012	<u>79,354</u>	<u>17,066</u>	<u>51,786</u>		<b><u>148,206</u></b>
<b>Net Book Value</b>					
At 31st December 2012	<u>323,358</u>	<u>24,309</u>	<u>23,870</u>		<b><u>371,537</u></b>
At 31st December 2011	<u>329,013</u>	<u>28,440</u>	<u>23,583</u>		<b><u>381,036</u></b>

Details of revaluations are given in note 16 below.

## 9. Fixed Asset Investments

	2012 £	2011 £
<b>Listed UK Securities:</b>		
Market value at 1 January 2012	<b>57,181</b>	61,502
Transferred in from Martin Jones Award Trust (note 18)	<b>163,114</b>	-
Add: Acquisitions in year at cost	<b>8,502</b>	10,939
Less: Disposals at opening book value	<b>(11,804)</b>	(11,545)
Net (loss) / gain on revaluation	<b>19,496</b>	(3,715)
	<b>236,489</b>	57,181
Investment cash account	<b>8,562</b>	1,169
Market value at 31 December 2012	<b>245,051</b>	58,350
Historical cost at 31 December 2012	<b>232,280</b>	58,888

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

In 2012 there are no material investments with a value in excess of 10% of the portfolio.

	<i>SBCB</i>	<i>Rare Book</i>	<i>Total</i>	<i>Total</i>
	<i>Note (a)</i>	<i>Note (b)</i>	<i>2012</i>	<i>2011</i>
Valuation at 1 January 2012	11,357	-	<b>11,357</b>	11,982
Add: Acquisitions at cost	-	40,250	<b>40,250</b>	-
Net gain / (loss) on revaluation	4,456	-	<b>4,456</b>	(625)
Valuation at 31 December 2012	<u>15,813</u>	<u>40,250</u>	<b><u>56,063</u></b>	<u>11,357</u>

(a) The Incorporation holds 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 balance sheet at 30 April 2012.

(b) The rare book is an original volume of poems by Robert Burns, *The Kilmarnock Edition*, purchased as an investment at a cost of £40,250. In the opinion of the trustees the current valuation approximates to the cost.

## 10. Stocks & Work in Progress

	<i>Group</i>		<i>Charity</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Bookshop stock for resale	<b>23,461</b>	26,678	-	-
Publishing stock - completed titles	<b>14,866</b>	16,776	-	-
Publishing stock - work in progress	<b>10,141</b>	16,569	-	-
Stationery & medals	<b>7,032</b>	4,391	<b>7,032</b>	4,391
	<u><b>55,500</b></u>	<u>64,414</u>	<u><b>7,032</b></u>	<u>4,391</u>

## 11. Debtors

	<i>Group</i>		<i>Charity</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
<i>Due within one year:</i>				
Trade debtors	<b>36,219</b>	21,165	<b>18,623</b>	13,752
Accrued income	<b>47,265</b>	60,551	<b>5,141</b>	11,051
Prepayments	<b>13,293</b>	13,992	<b>11,788</b>	13,692
Due from Martin Jones Award Trust	-	4,183	-	4,183
Other debtors	<b>4,753</b>	297	<b>4,640</b>	297
	<u><b>101,530</b></u>	<u>100,188</u>	<u><b>40,192</b></u>	<u>42,975</u>

## 12. Creditors

	<i>Group</i>		<i>Charity</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Provision for deficiency in subsidiary funds (note 2)	-	-	<b>2,489</b>	2,489
Amount due to subsidiary company	-	-	<b>9,617</b>	2,112
Trade creditors	<b>39,005</b>	22,390	<b>17,636</b>	14,663
Taxation and social security	<b>9,197</b>	15,800	<b>9,125</b>	15,800
Accruals & other creditors	<b>47,694</b>	72,055	<b>41,943</b>	50,661
Deferred income (note 13)	<b>150,978</b>	167,128	<b>46,537</b>	65,322
	<u><b>246,874</b></u>	<u>277,373</u>	<u><b>127,347</b></u>	<u>151,047</u>

## 13. Deferred Income

	<i>Group</i>		<i>Charity</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Opening Balance at 1 January	<b>167,128</b>	158,598	<b>65,322</b>	3,507
Amount released to incoming resources	<b>(88,895)</b>	(75,115)	<b>(65,322)</b>	(3,507)
Amount deferred in year	<b>72,745</b>	83,645	<b>46,537</b>	65,322
Closing Balance at 31 December	<u><b>150,978</b></u>	<u>167,128</u>	<u><b>46,537</b></u>	<u>65,322</u>

Deferred income at 31 December 2012 comprises income received in advance for publishing and prepaid membership and practice services subscriptions.

## 14. Movements in Funds

	<i>Net</i>					
	<i>At 1/1/12</i>	<i>Incoming Resources</i>	<i>Resources Expended</i>	<i>Investment Gain/(Loss)</i>	<i>Transfers</i>	<i>At 31/12/12</i>
	£	£	£	£	£	£
<i>Endowment Fund:</i>						
Martin Jones Award	-	195,769	(8,529)	12,447	-	<b>199,687</b>
<i>Restricted Income Funds:</i>						
Doolan Award	-	35,000	(35,000)	-	-	-
Other award funds	7,334	12,290	(12,290)	-	-	<b>7,334</b>
Benevolent fund	51,646	-	-	-	-	<b>51,646</b>
Community Projects	13,230	-	(7,318)	-	-	<b>5,912</b>
ASSA fund	7,824	-	-	-	-	<b>7,824</b>
<b>Total Restricted</b>	<b>80,034</b>	<b>47,290</b>	<b>(54,608)</b>	-	-	<b>72,716</b>
<i>Designated Funds:</i>						
Fixed asset fund	186,065	-	(13,093)	-	10,511	<b>183,483</b>
Unlisted investment	11,357	-	-	4,456	40,250	<b>56,063</b>
Refurbishment costs	40,000	-	(26,432)	-	(13,568)	-
Chapters contingency fund	3,000	-	-	-	3,000	<b>6,000</b>
	<u>240,422</u>	<u>-</u>	<u>(39,525)</u>	<u>4,456</u>	<u>40,193</u>	<u><b>245,546</b></u>

<b>General Fund</b>	239,388	933,188	(886,629)	7,992	(33,276)	<b>260,663</b>
<b>Revaluation Reserve</b>	194,971	-	-	-	(6,917)	<b>188,054</b>
<b>Total Unrestricted</b>	<u>674,781</u>	<u>933,188</u>	<u>(926,154)</u>	<u>12,448</u>	<u>-</u>	<b>694,263</b>
<b>Total Funds</b>	<u>754,815</u>	<u>1,176,247</u>	<u>(989,291)</u>	<u>24,895</u>	<u>-</u>	<b>966,666</b>

#### Notes on Restricted Funds:

The **Doolan Best Building in Scotland award** and 'other award funds' are funded by donations and grants and 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 objects 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 fixed asset fund and transfers made for additions and disposals in the year and the movement in the revaluation reserve.

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

An amount of £40,000 was designated towards **refurbishment costs** during 2012. An amount of £26,432 was expended during the year with the balance of £13,568 being returned to the general fund.

A further £3,000 has been added to the **Chapters contingency fund**, bringing the balance to £6,000, which is in addition to a balance of £4,749 remaining in creditors from previous years.

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

	Endowment Restricted			General Reserve	Revaluation Reserve	Total Funds
	Fund	Funds Designated	General			
	£	£	£	£	£	£
<b>Fund balances at 31 December 2012 are represented by:</b>						
Tangible fixed assets	-	-	183,483	-	188,054	<b>371,537</b>
Investments	179,205	-	56,063	65,846	-	<b>301,114</b>
Stocks and work in progress	-	-	-	55,500	-	<b>55,500</b>
Debtors	-	-	-	101,530	-	<b>101,530</b>
Cash at bank and in hand	20,482	83,616	6,000	273,761	-	<b>383,859</b>
Creditors due in one year	-	(10,900)	-	(235,974)	-	<b>(246,874)</b>
<b>Net Assets</b>	<u>199,687</u>	<u>72,716</u>	<u>245,546</u>	<u>260,663</u>	<u>188,054</u>	<b>966,666</b>

#### 16. Revaluation Reserve

The revaluation reserve represents the following:

	<i>Excess over book value</i>
	£
Heritable property at 15 Rutland Square revalued at open market value of £240,000 in January 1987	<b>225,473</b>
Antique & fine art furnishings valued at open market value of £39,245 in January 1988 (excluding disposals of £6,805 in the year)	<b>37,261</b>
Less accumulated depreciation charged on revalued amount	<b>(74,680)</b>
<b>Balance on revaluation reserve at 31 December 2012</b>	<b>188,054</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 £2,332 for consultancy work were paid to Richard Atkins, a member of Council, during the year.

#### 18. Martin Jones Award Fund

At 1 January 2012 the net assets and operations of the former Martin Jones Award Trust (Scottish charity ref SC 036825) were transferred to the Incorporation as an endowment fund. Details of the net assets and funds transferred are as follows:

	£
Listed investments at market value	<b>163,114</b>
Investment cash account held by investment managers	<b>5,003</b>
Income cash account held by investment managers	<b>29,157</b>
(less) creditors due within one year	<b>(6,313)</b>
<b>Net assets transferred</b>	<b>190,961</b>
represented by:	
<b>Endowment Fund</b>	<b>190,961</b>

The Martin Jones Award was originally set up as an endowment fund in 1993 from a bequest under the will of Martin Jones. Under the terms of the trust it became an expendable endowment fund after the year 2011. The object of the fund is to advance education for the public benefit by providing an annual award for an outstanding student of Duncan of Jordanstone College of Art and Design at the University of Dundee, who submits the most creative idea for research in historical, theoretical or modern architecture or a combination of these.