



RIAS

The Royal Incorporation
of Architects in Scotland

Annual Report 2015

OPERA · NOSTRARUM
MANUUM · DIRIGERE

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Annual Report

President's Introduction



RIAS Council 2015
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At risk of repeating myself from last year, this Annual Report testifies to an organisation in continuing good health. We remain politically connected, engaged with the media and determined to improve the industry in which we all operate. The RIAS is an ever stronger, member-led, membership body. All the stuff you will read about here, our events, CPD, awards, tremendous Chapter activity and our detailed responses to ever increasing numbers of Government consultations are, as I commented last time, the “day job”.

In 2008 our then new RIAS Secretary, Neil Baxter, set the Incorporation a challenge. He argued that simply celebrating our centenary in 2016, while serving the interests of members to a degree, would not take maximum advantage of the opportunity. He proposed instead a year-long public facing festival and that we should encourage

the Scottish Government to support and recognise the event. Your Council, recognising the potential for such a year-long event to further the Incorporation's goals, in particular the promotion of architecture to the public benefit, readily lent its support.

The strategy for 2016, by Eleanor McAllister OBE Hon FRIAS and the late, lamented Professor Stuart MacDonald OBE, went well beyond the scoping of this year's architectural celebration. In consultation with the six RIAS Chapters, many members, senior RIAS staff, particularly the Secretary and representatives of many of our partner organisations for the Festival, Stuart and Eleanor provided a template for the profession and its role in the community. Our next annual report will tell.

The last eight years have been a period of consolidation of the RIAS' core mission

but also of growth and change. Our technical, legal and insurance advice has built up an unrivalled online and personal service. Innovations have included RIAS Chartered Practice. Intensive work on procurement continues. We have better communications than ever with the *Quarterly* and our e-bulletins serving members well. Our social programme, both national and at Chapter level is excellent and our Awards now lead the way for the built environment sector. As this report demonstrates, membership too is steadily on the rise.

Enjoy your Annual Report.

WILLIE WATT

Willie Watt
President, RIAS

Reference and Administrative Details

Scottish Charity reference

SC 002753

Address of Principal Office

15 Rutland Square
Edinburgh EH1 2BE

Members of Council (Trustees)

President
Willie Watt PRIAS

Past President
Iain Connelly PPRIAS

Hon Treasurer
George Wren PPRIAS

Chapter Presidents

Aberdeen Society of Architects
Catherine McKeown RIAS

Dundee Institute of Architects
Christine Palmer RIAS

Edinburgh Architectural Association
Donald Canavan RIAS

Glasgow Institute of Architects
Michael Dougall FRIAS

Inverness Architectural Association
Dr Gordon Anderson FRIAS

Stirling Society of Architects
Ryan Marshall RIAS

Council Members

Chapter Representatives / Nationally
Elected / Co-options

From May 2015 Karen Anderson, Stuart Bagshaw, Duncan Collin, Martin Cook, David Dunbar, Hugh Crawford, Allan Cumming, Jocelyn Cunliffe, Iain Dickson, Martin English, Euan Geddes, William Gunn, Marc Haslam, Catriona Hill, Sholto Humphries, Graeme Hutton, Michael Jarvis, Victoria Jarvis, Diarmid McLachlan, Sandy McAllister, Fraser Middleton, Stephen Miles, Ruairidh Moir, Ben Rainger, Doug Read, Kerr Robertson, Lesley Robertson, Joan Scott, Fiona Sinclair, A Gordon Smith, Nigel Somner, Chris Stewart, Mike Towers, Julie Wilson (*from Sept 15*).

To May 2015 Gordon Anderson, Karen Anderson, Stuart Bagshaw, Donald Canavan, Duncan Collin, Martin Cook, David Dunbar, Hugh Crawford, Allan Cumming, Jocelyn Cunliffe, Iain Dickson, Euan Geddes, Marc Haslam, Sholto Humphries, Graeme Hutton, Steven Innes, Michael Jarvis, Sandy McAllister, Fraser Middleton, Stephen Miles, Christine Palmer, Ben Rainger, Doug Read, Lesley Robertson, Joan Scott, Fiona Sinclair, A Gordon Smith, Nigel Somner, Chris Stewart, Mike Towers, Willie Watt.

Senior Staff

Secretary & Treasurer
Neil Baxter Hon FRIAS

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

John G. Norman Ltd
The Courtyard
38 Coatfield Lane
Edinburgh EH6 6BE

Investment Managers

Murray Asset Management
39 Castle Street
Edinburgh EH2 3BH

Legal Advisors

Clyde & Co.
Albany House
58 Albany Street
Edinburgh EH1 3QR

Annual Report

Report of the Council

FOR THE YEAR ENDED 31 DECEMBER 2015

The members of Council of the Royal Incorporation of Architects in Scotland (“RIAS”) are pleased to present their annual report together with the consolidated financial statements of the Incorporation and its subsidiary for the year ended 31 December 2015.

The report and financial statements are prepared in accordance with the Royal Charter and Bye-Laws of the Incorporation, the provisions of ‘Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities’ (“the SORP”), published in 2014, and in compliance with applicable law governing Scottish charities.

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 through 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 95.

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 with their remuneration being set by the Council.

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. The company 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 including the annual convention 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 as well as the production of an on-line Directory of Practices with an associated publication.

The Incorporation itself organises membership events including annual architectural awards, produces a quarterly journal and learned society publications and generally promotes the profession and campaigns on its behalf. In particular, in its centenary year of 2016, the Incorporation is playing host to the Festival of Architecture, joined by over one hundred partner organisations including the RIAS Chapters. Within the Scottish Government’s officially designated Year of Innovation, Architecture and Design, the Festival, with financial support from the Government and industry, will be the most ambitious year-long celebration ever of any nation’s architecture. The Festival’s main goal will be to engage the public as widely as possible with Scotland’s architecture and its potential to improve lives.

Achievements and Performance

Membership

Active recruitment of past students, previous members and new student members saw the Incorporation welcome 81 new full members, 184 students, 2 affiliate members and 49 reinstatements. 12 Fellowships and 14 Hon Fellowships were awarded. Regrettably, 44 members resigned and 36 deaths were reported. Although we had 48 retrials and 10 removals for non-payment, we are up on fee paying membership by 51 and by the year end, had 449 more members overall than in 2014. The overall increase means that our member count reached 4820, once again a record!

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 174 substantive articles at national level, significant social media and a very good number of items in local press from the Chapters. The Incorporation participated in filmed interviews for the BBC and STV.

The President and/or Secretary met a number of Government Ministers, SNP backbenchers and senior opposition members, including meetings with First Minister, Nicola Sturgeon, and MSPs/MPs Claire Baker, Sarah Boyack, the Scottish Conservative Leader, Ruth Davidson, Fergus Ewing, Linda Fabiani, Baroness Annabel Goldie, Scottish Green Party Co-Convenor, Patrick Harvie, Derek Mackay, Mike Mackenzie, Mike Russell, Drew Smith and Jean Urquhart, as well as meetings with Cabinet Secretary Fiona Hyslop.

The President and Secretary had constructive exchanges with A+DS Chair, Karen Anderson and CEO, Jim MacDonald and with the RIAI, RIBA and RSUA Presidents. Liaison continued with international embassies and consulates, in particular with the Danish, Dutch and Norwegian Embassies/Consulates.

The President led an RIAS delegation on a 'Construction Learning Journey' to Japan, largely funded by Scottish Development International.

Events

The Dundee Convention included presentations from many major international figures, including Maja Sipus, Eric Carlson, Sebastien Jouan and Bristol's Mayor, George Ferguson PPRIBA. Our Cross Party Group at the Parliament hosted lively meetings on *Festival of Architecture 2016* and *Irish Design 2015*.

The Incorporation held a drinks reception in Edinburgh to celebrate the 21st edition of the RIAS Quarterly. The Fellows' Summer and Winter Receptions were busy and convivial. Sir Kenneth Calman Hon FRIAS addressed the Fellows Dinner.

HQ and Governance

Pat Lally, Hon FRIAS, Special Advisor to the Secretary, retired from the Incorporation in April after 7 years, Gerry Grams FRIAS, Co-Director of the Festival left in June as did Jane Macfarlane, Events and Communications Officer. Laura Sandilands, Festival Co-ordinator left in October. In July, Hayley Kyle joined the Finance & Administration department, followed by Emma Lucas who took up the position of Events and Communications Assistant. Karen Cunningham was appointed Co-Director of the Festival of Architecture in February, assuming the Directorship in June. Project Officer, Elizabeth Baillie, was appointed in July, followed by Sabrina Leruste and Sheree Ramage as Co-ordinators from October. Michael Jarvis FRIAS took over the post of Head of Certification from January.

Practice

The Incorporation is participating in the 'root and branch' planning review, gathering views and ideas about how the Scottish planning

system could be improved. It is also seeking to participate in the oral evidence sessions.

Following the introduction of the new CDM Regulations the Incorporation has carried out an update of all its contractual documents and Standard Forms of Appointment and organised a CPD event attended by over 80 members to inform architects on the changes in legislation.

The Incorporation has responded to the Scottish Affairs Committee's inquiry into the creative industries in Scotland, engaging with the Scottish Government about the review of Scottish Public Sector Procurement in construction and facilitating feedback from its members.

The RIAS Conservation Accreditation scheme received 27 applications in 2015. 14 of these were from new applicants wishing to obtain conservation architecture accreditation, and 12 from practitioners wishing to re-new. One practitioner has successfully upgraded from Accredited to Advanced. The RIAS has responded to the Secondary Legislation of the Historic Environment Scotland Act 2014.

In 2015 our Energy Design Certification scheme continued to grow at an increasing rate. The number of dwellings covered by a certificate has now reached more than 6,250 and the total value of warrantable works stands at nearly £640m with over 1,600 EPCs lodged in the Scottish EPC Register. The scheme's new website will include the launch of a non-domestic certification option.

Education/CPD

The Incorporation continued to support the Association of Scottish Schools of Architecture (ASSA) with financial services and meeting facilities as required. We also contributed to the RIBA's ongoing consultation on the future of architectural education.

Awards

65 submissions for the fourth year of the RIAS Awards resulted in 12 awards. The

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FOR THE YEAR ENDED 31 DECEMBER 2015

Lifetime Achievement Award went to Professor Robin Webster OBE FRIAS at the Awards Dinner in Edinburgh. The touring exhibition of the 2014 Doolan Award visited 6 Chapter venues.

The RIAS Andrew Doolan Best Building in Scotland Award 2015 was judged by Willie Watt PRIAS (Chair), Dame Barbara Kelly Hon FRIAS, Peter McIlhenny FRIAS, Margaret Richards FRIAS and Neil Baxter (Advisor). The award went to Sutherland Hussey Harris for West Burn Lane, St Andrews, presented by the Cabinet Secretary and Mrs Margaret Doolan Hon FRIAS at the National Museum of Scotland in November.

The annual RIAS/A+DS student awards were judged by Past President Iain Connelly, Graham Ross FRIAS, Architecture and Design Scotland Deputy Chair, Ian Gilzean FRIAS, Chief Architect, Scottish Government and Hiroaki Kimura Hon FRIAS who gave the inaugural Andy MacMillan Lecture at the presentation. The Rowand Anderson Silver Medal was won by Holly Gardner from the Mackintosh School of Architecture.

Consultancy/Competitions

Competitions for the Willow Tea Rooms, Glasgow and The Tron, Edinburgh were concluded, with Simpson and Brown Architects and Lee Boyd Architects, respectively appointed. The Design Team appointment process was launched for Knockroon Learning and Enterprise Campus. The contractor appointment was lodged for Aberdeen Performing Arts.

Chapters

Chapter engagement and activity is key to the Incorporation's engagement with members throughout Scotland. The Chapters continue to provide lively and varied CPD, awards, political lobbying, annual dinners and other events which are fully reported in the *Quarterly*. The Chapters are all to be commended for the consistent quality and value of their volunteer endeavour.

Consultations

The Incorporation responded to consultations on the changes proposed to Building Standards *Better Regulation – Building Standards Review – 2015* and the *Evaluation of the Performance of Local Authorities as Building Standards Verifiers*. In planning, as well as the wide ranging Planning Review, there was a further consultation on Permitted Development Rights on: *Non-Domestic Solar Panels and Domestic Air Source Heat Pumps*. The Incorporation participated in the review of the standards which constitute the ARB Code.

The RIAS' views were sought on the *Conservation of Cultural Heritage - Guidelines for Improving Energy Performance of Historic Buildings, Historic Scotland Grants, Managing Change Guidance Notes, Measuring Success of Historic Environment Strategy in Scotland*. Other consultations on accessibility and design were responded to as was the *Inclusive Design Strategy* consultation from Network Rail.

Honorary Fellowships

Honorary Fellowships were presented to Sir Kenneth Calman, Richard Carr, Hugh Dutton, Prof Hiroaki Kimura, Lorraine Landels, David Narro and Ian White.

Future Plans

2016 is the centenary of the founding of the Royal Incorporation. In addition to a number of events for members which will mark this important anniversary, the Incorporation is also playing host to the Festival of Architecture 2016. Within the Scottish Government's officially designated Year of Innovation, Architecture and Design, the Festival, with financial support from the Government and industry, will be the most ambitious ever year-long celebration of any nation's architecture.

We are fortunate to have been joined in the Festival by over one hundred partner organisations with an interest in the built

environment and the breadth of Scotland's culture. The RIAS Chapters are also taking an active part in a series of events, educational and community based initiatives and publications. The Festival's main goal will be to engage the widest possible public with Scotland's architecture and its potential to improve lives.

Acknowledgements

RIAS members, who participate in Chapter and HQ committees and activities, RIAS President Willie Watt, Past President Iain Connelly, our Committee Chairs, Convenor of the Festival, David Dunbar PPRIAS, PPC and Council, the Secretary and the staff team are commended for their hard work throughout 2015.

Financial Review and Results for the Year

The results for the year are set out in the Statement of Financial Activities (SOFA) on page 102, which shows the consolidated income and expenditure for the charity and its subsidiary trading company, RIAS Services Limited. Separate results for the charity alone are shown in the Income & Expenditure account on page 103 and results for the subsidiary company are summarised in note 6 on page 107.

The accounts this year have been prepared under a revised Statement of Recommended Practice for Charities in conjunction with the Financial Reporting Standard for Smaller Entities (also revised). As a result there has been some change to the format of the accounts with more detailed information on the comparative figures and the removal of governance costs as a separate item in the SOFA. There will be further changes next year with the application of the Financial Reporting Standard, FRS 102.

The overall result for the year, as set out in the SOFA, shows an increase in funds of £95,939, comprising an increase

of £98,911 in unrestricted funds, a decrease of £4,315 in restricted income funds and an increase of £1,343 in the Martin Jones Award endowment fund. In comparison the previous year showed an overall decrease in funds of £15,843 though expenditure in that year included an exceptional item of £65,519 for refurbishment costs.

A major activity during the year was planning and development for the 'Festival of Architecture' in 2016, which is also the Incorporation's centenary year as well as the Scottish Government's officially designated year of 'Innovation, Architecture and Design'. Grant funding and sponsorship of £257,467 was received for this in the year, comprising £100,000 from Event Scotland for Festival events, £50,000 from Creative Scotland for festival development, £50,000 from the Scottish Government for staff costs of the Festival director, £37,467 in contributions from architectural practices and £20,000 in other sponsorship (see note 5 to the accounts).

Expenditure on Festival development amounted to £430,516 as set out in note 10. This includes £155,700 paid out in initial grants to 11 partner organisations for running Festival events, £182,456 in staff costs directly attributable to the Festival and an allocation of £49,805 for central support costs. This results in a net cost of £173,049 for Festival development but this is more than covered by increased income and reduced expenditure in other areas.

The main source of income for the Incorporation is membership subscriptions and these showed an increase of 7% providing income of £571,322, which represents 52% of the unrestricted gross income for the year. This reflects both an increase in membership numbers and a small increase in subscription rates as well as some members on a reduced subscription returning to the full amount. There was a significant decrease in expenditure on membership activities due to staff resources and central overheads being diverted to Festival development. Membership costs

now include governance costs in line with revised accounting practice as set out above. Awards & grants income and expenditure both showed a small increase over 2014.

The Incorporation derives profits from its trading subsidiary, RIAS Services Limited, 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 6 on page 107 and show an increased net profit of £36,939, compared to a net profit of £10,875 in the previous year. Particular areas of improvement were in services to architectural practices and consultancy services including architectural competitions. Work on producing an on-line version of the Tenement Handbook ('Under One Roof') commenced during the year with initial expenditure of £48,851 on subcontracted services. A total amount of £105,000 was received for this project during the year from local authorities and others and £56,149 of this has been deferred as the contract is expected to break even over its duration and income has been recognised to match expenditure to date.

The restricted income funds (see note 21) comprise the awards and prize funds, the benevolent fund, the Festival of Architecture fund, the Scottish Community projects fund (SCPF) and the ASSA fund, held for continuing work of the former Association of Scottish Schools of Architecture. Income in the year includes £257,467 for the Festival as noted above, which was all expended during the year. Other income comprised sponsorship and donations of £52,000 for the various awards and £3,000 for ASSA. There was no grant income for SCPF this year and the fund is currently closed due to lack of funds. Total restricted income funds carried forward amount to £78,835.

The value of the Martin Jones Award endowment fund has increased marginally to £230,383, which includes investments at a valuation of £194,418. No prizes were paid out this year.

Investments

The Incorporation relies on advice from external investment advisers for discretionary management of its listed investments. The investment objective is to achieve a balance between income and capital growth with a medium risk strategy. The capital performance of both portfolios fell short of expectations due to falling world stock and bond markets and resulted in a net loss over the year of £2,162 on listed investments held in the general fund and a net loss of £3,141 in the Martin Jones investment portfolio.

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 £27,058 - an increase of £5,315 in the year (see note 16).

The Incorporation also holds a rare book as a longer term investment - an original volume of poems by Robert Burns, 'The Kilmarnock Edition'. The current market value is considered to approximate to its original cost in 2012 of £40,250.

Funds & Reserves Policy

The various funds of the Incorporation and movements over the year are detailed in note 21 on page 110, which shows total funds carried forward of £1,085,593. This includes £230,383 in the endowment fund and £78,835 in restricted income funds, as commented on above. A total of £329,366 is held in designated funds at the year-end and includes an amount of £80,000 which has been set aside from net income in the year for expenditure on the Festival of Architecture in 2016. Of the remaining amount designated, £240,667 represents tangible fixed assets and unlisted investments, which are not readily realisable and the balance of £8,699 (including £3,000 designated during the year) has been set aside as a contingency fund for non-routine expenditure by the Chapters.

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Report of the Council

FOR THE YEAR ENDED 31 DECEMBER 2015

There remains a balance of £267,955 in the general fund representing the free reserves of the charity. This is equivalent to just over 3 months of unrestricted expenditure in the year and it is the policy of the trustees to maintain this level of free reserves to provide a reasonable cushion for unknown contingencies and enable the Incorporation to participate in opportunities for the benefit of the profession. This has particular relevance this year in view of the forthcoming Festival of Architecture in 2016.

Asset Valuation

The book value of tangible fixed assets is represented by the revaluation reserve of £179,054 with the balance of £173,359 in the designated fixed asset fund (£352,413 in total). The written down amounts of £311,855 for heritable property and £21,825 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

In view of the uniqueness of the year 2016 as the RIAS centenary and year of the Festival, an overall deficit budget of £53,000 has been set, which incorporates a contribution of £155,000 to the Festival by RIAS. Every effort will be made to contain expenditure so as to reduce this deficit, which in any case is covered by the amount of £80,000 designated in the 2015 accounts as above. Continued grant funding, which has already been secured for the Festival in 2016, includes a further £240,000 from Event Scotland, £120,000 from Creative Scotland and £50,000 from the Scottish Government with a further £130,000 anticipated from sponsorship and other sources. Income from other activities is budgeted at a similar level to 2015.

Risk Management

The President and senior members meet with staff on a regular basis to review the activities and to ensure that key objectives are met. At each of their meetings, the members of Council are presented with a financial performance report 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charitable group for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is

inappropriate to presume that the charity will continue in operation.

The Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council members are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to Auditors

In so far as the Council members are aware:

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

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

Willie Watt

Willie Watt PRIAS
President

Independent Auditors' Report

TO THE COUNCIL OF THE RIAS FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of The Royal Incorporation of Architects in Scotland for the year ended 31 December 2015, which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the statement of total recognised gains and losses and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 (as amended). 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 9- 10, 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 any material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 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 applicable to Smaller Entities; 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
11th March 2015

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

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Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Income Funds £	Endowment Fund £	Total 2015 £	Total 2014 as restated £
Income						
Charitable activities						
Membership subscriptions	2	571,322	-	-	571,322	532,565
Membership activities	3	55,526	-	-	55,526	43,573
Awards & grants	4	47,790	55,000	-	102,790	97,000
Festival of Architecture	5	-	257,467	-	257,467	27,500
Trading activities						
Services to architects	6	220,130	-	-	220,130	209,064
Publications & products	6	73,136	-	-	73,136	74,814
Consultancy & other services	6	113,188	-	-	113,188	40,330
Rental income		4,450	-	-	4,450	-
Investment income	7	9,944	-	6,028	15,972	15,883
Total Income		<u>1,095,486</u>	<u>312,467</u>	<u>6,028</u>	<u>1,413,981</u>	<u>1,040,729</u>
Expenditure						
Charitable activities						
Membership activities	8	406,733	-	-	406,733	497,874
Awards & grants expenditure	9	50,431	59,315	1,544	111,290	104,759
Festival of Architecture	10	173,049	257,467	-	430,516	79,584
Building refurbishment		-	-	-	-	65,519
Raising funds						
Trading activities:						
Services to architects	6	162,640	-	-	162,640	165,777
Publications & products	6	90,194	-	-	90,194	103,278
Consultancy & other services	6	116,681	-	-	116,681	44,278
Total Expenditure		<u>999,728</u>	<u>316,782</u>	<u>1,544</u>	<u>1,318,054</u>	<u>1,061,069</u>
Net income / (expenditure)		95,758	(4,315)	4,484	95,927	(20,340)
Other recognised gains and losses						
Net gain / (loss) on investment assets		3,153	-	(3,141)	12	4,497
Net Movement in Funds		98,911	(4,315)	1,343	95,939	(15,843)
Funds brought forward		677,464	83,150	229,040	989,654	1,005,497
Funds carried forward	21	<u>776,375</u>	<u>78,835</u>	<u>230,383</u>	<u>1,085,593</u>	<u>989,654</u>

The comparative figures for 2014 have been restated in accordance with the format prescribed by 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing

their accounts in accordance with the Financial Reporting Standard for Smaller Entities', effective from January 2015. In particular governance costs of £44,265 in 2014 have been included in membership activities.

The notes on pages 105 to 111 form part of these financial statements.

Consolidated and Charity Income and Expenditure Accounts

	Notes	Group		Charity	
		2015	2014 as restated	2015	2014 as restated
		£	£	£	£
Income					
Membership subscriptions	2	571,322	532,565	571,322	532,565
Membership activities	3	55,526	43,573	55,526	43,573
Awards & grants income	4	102,790	97,000	102,790	97,000
Festival of Architecture income	5	257,467	27,500	257,467	27,500
Turnover from trading activities	6	410,904	324,208	4,450	-
Gift aid donation due from subsidiary		-	-	36,939	10,875
Recharge of support costs to subsidiary		-	-	90,769	81,423
Investment income	7	15,972	15,883	15,972	15,883
Total income		1,413,981	1,040,729	1,135,235	808,819
Expenditure					
Membership activities	8	406,733	497,874	406,733	497,874
Awards & grants expenditure	9	111,290	104,759	111,290	104,759
Festival of Architecture expenditure	10	430,516	79,584	430,516	79,584
Building refurbishment		-	65,519	-	65,519
Expenditure on trading activities	6	369,515	313,333	90,769	81,423
Total expenditure		1,318,054	1,061,069	1,039,308	829,159
Net operating (expenditure) / income for the year		95,927	(20,340)	95,927	(20,340)
Net realised gain on sale of fixed asset investments		(253)	437	(253)	437
Net (expenditure) / income for the financial year		95,674	(19,903)	95,674	(19,903)

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

Consolidated Statement of Total Recognised Gains and Losses

	2015	2014
	£	£
Group and Charity		
Net (expenditure) / income for the financial year	95,674	(19,903)
Net unrealised gain on fixed asset investments	265	4,060
Net recognised (losses) / gains for the financial year	95,939	(15,843)

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FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated and Charity Balance Sheets at 31 December 2015

	Notes	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
Fixed Assets					
Tangible assets	15	352,413	355,187	352,413	355,187
Listed Investments	16	265,483	272,549	265,483	272,549
Unlisted investments	16	67,308	61,993	67,308	61,993
Investment in subsidiary at cost	6	-	-	100	100
		<u>685,204</u>	<u>689,729</u>	<u>685,304</u>	<u>689,829</u>
Current Assets					
Stocks and work in progress	17	56,263	52,856	19,878	13,836
Debtors	18	225,194	78,213	131,333	20,963
Current asset investments	19	75,000	85,000	75,000	85,000
Cash at bank and in hand		587,083	526,287	578,008	516,287
		<u>742,356</u>	<u>605,374</u>	<u>636,086</u>	<u>495,719</u>
Creditors					
Amounts falling due within one year	20	543,151	442,431	403,930	336,261
		<u>400,389</u>	<u>299,925</u>	<u>400,289</u>	<u>299,825</u>
Net Current Assets					
		<u>1,085,593</u>	<u>989,654</u>	<u>1,085,593</u>	<u>989,654</u>
Funds					
Unrestricted Funds					
General fund	21	267,955	252,908	267,955	252,908
Revaluation reserve	24	179,054	182,054	179,054	182,054
Designated funds	21	329,366	242,502	329,366	242,502
Total Unrestricted Funds		<u>776,375</u>	<u>677,464</u>	<u>776,375</u>	<u>677,464</u>
Restricted Funds					
Endowment fund	21	230,383	229,040	230,383	229,040
Restricted income funds	21	78,835	83,150	78,835	83,150
Total Restricted Funds		<u>309,218</u>	<u>312,190</u>	<u>309,218</u>	<u>312,190</u>
Total Funds		<u>1,085,593</u>	<u>989,654</u>	<u>1,085,593</u>	<u>989,654</u>

The financial statements on pages 102 to 104, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), were approved by the Council members on 16 March 2016 and are signed on their behalf by:



Willie Watt PRIAS
President



Doug Read PPRIAS
Member of Council



Neil Baxter Hon FRIAS
Secretary and Treasurer

The notes on pages 105 to 111 form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

1. 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 assets, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/7/14 (the Charities SORP), the Financial Reporting Standard for Smaller Entities - effective January 2015 (the FRSE), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 6). Separate results are shown for the charity in the income & expenditure account on page 102 and the balance sheet on page 104.

Since the charity is preparing accounts in accordance with the FRSE, a cash flow statement is not required. Some of the comparative figures have been restated in compliance with the revised Charities SORP.

Income

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 from bank deposits and current asset investments is accrued to the accounts date. Investment income from dividends and other sources of income are included when receivable.

Income referable to future periods or events is included as deferred income under creditors.

Expenditure and cost allocations

All expenditure is accounted for on an accruals basis. Wherever possible costs are attributed directly to charitable and trading activities. Governance costs are attributed to membership activities and the remaining administrative support and central management costs are allocated to activities on the bases shown below, which amounted to the following proportions in 2015:

Membership activities	43% (2014 – 65%) residue of cost after other allocations
Festival of Architecture	20% (2014 – 0%) allocated in proportion to staff costs
Trading activities turnover	37% (2014 – 35%) allocated on basis of turnover

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 and non-business activity related to the Festival of Architecture, is shown as a separate item under the expenditure for each activity (see notes 8 & 10).

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 the FRSE (paragraph 19.3) 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

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FOR THE YEAR ENDED 31 DECEMBER 2015

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.

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.

Debtors

Trade and other debtors are recognised at the settlement amount due.

Current Asset Investments

Current asset investments, comprising cash on term deposit, are stated at cost. Interest on deposits is accrued to the accounts date and included in income for the year.

Creditors and provisions

Creditors and provisions are recognised, at settlement amount, where the charity has a present obligation resulting from a past event, which is likely to result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Pension Costs

Pension costs represent amounts 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 or application for the funds.

The *Martin Jones Endowment Fund* is an expendable endowment fund, as more fully described in note 22.

2. Membership subscriptions

	Unrestricted Funds	Restricted Income Funds	Total 2015	Unrestricted Funds	Restricted Income Funds	Total 2014
	£	£	£	£	£	£
Joint subscriptions						
with RIBA	398,965	-	398,965	373,907	-	373,907
RIAS only subscriptions	172,357	-	172,357	158,658	-	158,658
	<u>571,322</u>	<u>-</u>	<u>571,322</u>	<u>532,565</u>	<u>-</u>	<u>532,565</u>

3. Membership activities income

	£	£	£	£	£	£
Quarterly magazine	40,023	-	40,023	34,039	-	34,039
Japanese delegation	10,600	-	10,600	-	-	-
Other income	4,903	-	4,903	9,534	-	9,534
	<u>55,526</u>	<u>-</u>	<u>55,526</u>	<u>43,573</u>	<u>-</u>	<u>43,573</u>

4. Awards and grants income

	£	£	£	£	£	£
Doolan Award grant & donation	-	36,000	36,000	-	36,000	36,000
Sponsorship & other awards	25,250	16,000	41,250	17,250	15,000	32,250
Awards entry fees & other income	22,540	-	22,540	26,750	-	26,750
ASSA contributions	-	3,000	3,000	-	2,000	2,000
	<u>47,790</u>	<u>55,000</u>	<u>102,790</u>	<u>44,000</u>	<u>53,000</u>	<u>97,000</u>

5. Festival of Architecture income

	Unrestricted Funds	Restricted Income Funds	Total 2015	Unrestricted Funds	Restricted Income Funds	Total 2014
	£	£	£	£	£	£
Scottish Government Grants:						
received for Director's post	- 50,000	50,000	50,000	- 50,000	50,000	50,000
deferred grant released	- 37,500	37,500	37,500	- -	- -	- -
deferred in year	- (37,500)	(37,500)	(37,500)	- (37,500)	(37,500)	(37,500)
Net amount for Director's post	- 50,000	50,000	50,000	- 12,500	12,500	12,500
for strategic vision	- -	- -	- -	- 15,000	15,000	15,000
Creative Scotland:						
for Festival development	- 50,000	50,000	50,000	- -	- -	- -
Event Scotland:						
for Festival events	- 100,000	100,000	100,000	- -	- -	- -
Contributions from Practices	- 37,467	37,467	37,467	- -	- -	- -
Sponsorship of events	- 20,000	20,000	20,000	- -	- -	- -
	- 257,467	257,467	257,467	- 27,500	27,500	27,500

6. 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 20).

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

	Services to architects	Publications & products	Consultancy & other	Total 2015	Total 2014
	£	£	£	£	£
Turnover	220,130	73,136	113,188	406,454	324,208
Direct expenditure	113,481	73,861	91,404	278,746	231,910
Administrative support costs	49,159	16,333	25,277	90,769	81,423
Total expenditure	162,640	90,194	116,681	369,515	313,333
Profit for the year				36,939	10,875
Gift Aid payable to the Incorporation				(36,939)	(10,875)
Retained by subsidiary company				-	-

The assets and liabilities of the subsidiary company at 31 December 2015 were as follows:

	2015	2014
	£	£
Current Assets		
Stocks and work in progress	36,385	39,020
Amount due from the Incorporation	99,084	37,015
Other debtors	93,861	57,250
Cash at bank	9,075	10,000
	238,405	143,285
Current Liabilities		
Creditors & accruals	(34,952)	(20,439)
Deferred income	(205,842)	(125,235)
Net Liabilities	(2,389)	(2,389)
Net deficiency in shareholder's funds	(2,389)	(2,389)

7. Investment income

	Unrestricted Funds	Endowment Fund	Total 2015	Unrestricted Funds	Endowment Fund	Total 2014
	£	£	£	£	£	£
Income from listed investments	3,394	5,996	9,390	3,288	5,626	8,914
Bank & loan interest	6,550	32	6,582	6,947	22	6,969
	9,944	6,028	15,972	10,235	5,648	15,883

8. Membership activities – expenditure

	2015	2014 Restated
	£	£
Chapter grants	33,594	33,061
RIAS Quarterly journal	42,660	53,127
Corporate costs	21,897	25,087
Events, projects & promotion	23,307	14,721
Membership staff costs	121,751	126,063
Other direct costs	5,865	23,578
Support & governance costs (note 11) *	145,493	198,422
Irrecoverable VAT	12,166	23,815
	406,733	497,874

* Governance costs of £44,265 in 2014 have been reallocated to membership expenditure as 'governance' is no longer shown as a separate cost heading in the statement of financial activities under the revised statement of recommended practice for charities. Governance costs are analysed in note 11.

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FOR THE YEAR ENDED 31 DECEMBER 2015

9. Awards and grants expenditure

	Unrestricted Funds	Restricted Income Funds	Endowment Fund	Total 2015
	£	£	£	£
Doolan Award prize	-	25,000	-	25,000
Other awards	1,200	19,300	-	20,500
Awards events, judging & other	31,764	11,000	-	42,764
Staff costs	17,467	-	-	17,467
Investment management	-	-	1,544	1,544
ASSA payments	-	4,000	-	4,000
Community project grants	-	15	-	15
	50,431	59,315	1,544	111,290

Previous year costs:

	Unrestricted Funds	Restricted Income Funds	Endowment Fund	Total 2014
	£	£	£	£
Doolan Award prize	-	25,000	-	25,000
Other awards	1,200	10,000	-	11,200
Awards events, judging & other	38,200	11,000	-	49,200
Staff costs	16,781	-	-	16,781
Investment management	-	-	1,561	1,561
Community project grants	-	1,017	-	1,017
	56,181	47,017	1,561	104,759

10. Festival of Architecture expenditure

	Unrestricted Funds	Restricted Income Funds	Total 2015	Unrestricted Funds	Restricted Income Funds	Total 2014
	£	£	£	£	£	£
Partnership grants (see below)	155,700	155,700	-	-	-	-
Cost of events	3,000	-	3,000	-	-	-
Staff costs	115,238	67,218	182,456	42,287	12,500	54,787
Marketing & publicity	-	21,470	21,470	6,011	15,000	21,011
Other development costs	-	13,079	13,079	3,786	-	3,786
Support & governance costs	49,805	-	49,805	-	-	-
Irrecoverable VAT	5,006	-	5,006	-	-	-
	173,049	257,467	430,516	52,084	27,500	79,584

All grants are institutional and payable to partner organisations for running events in the Festival of Architecture in 2016. Initial grants of £155,700 have been paid out to 11 organisations during 2015 as follows:

	£
Glasgow Institute of Architects	42,000
Edinburgh Architectural Association	28,000
Aberdeen Society of Architects	17,500
Children in Scotland	14,000
National Museums Scotland	14,000
National Galleries of Scotland	14,000
Royal Scottish Academy	10,500
Other grants (to 4 organisations)	15,700
Total grants paid	155,700

11. Support and governance costs

	Support Costs	Governance Costs	Total 2015	Support Costs	Governance Costs	Total 2014
	£	£	£	£	£	£
Management & admin staff	128,695	21,386	150,081	124,696	25,838	150,534
Office admin costs	41,123	2,164	43,287	35,113	1,849	36,962
Occupancy costs	45,479	2,394	47,873	52,191	2,746	54,937
Other administrative costs	29,029	1,528	30,557	23,580	1,874	25,454
Audit fee	-	5,650	5,650	-	5,500	5,500
Council meetings & travel	-	8,619	8,619	-	6,458	6,458
Total	244,326	41,741	286,067	235,580	44,265	279,845

Support and governance costs are allocated as follows:

	2015	2014
	£	£
Membership activities (Note 8)	145,493	198,422
Festival of Architecture (Note 10)	49,805	-
Trading activities (Note 6)	90,769	81,423
Total	286,067	279,845

12. Expenditure

	2015	2014
	£	£
Auditor's remuneration	5,650	5,500
Depreciation charge	14,029	13,026
Loss on disposal of tangible fixed assets	414	131

13. Staff details

The average numbers of staff and costs (including consultant staff) for each activity during the year were:

	Number	2015 Cost	Number	2014 Cost
		£		£
Membership activities (including awards)	4.0	139,218	4.5	142,844
Festival of Architecture	5.0	182,456	1.5	54,787
Trading activities	5.0	139,513	4.5	130,103
Support & governance	4.0	150,081	4.0	150,534
Totals	18.0	611,268	14.5	478,268

Total staff costs are analysed as follows:

	£	£
Salaries	444,995	390,598
Social security costs	39,506	35,950
Pension costs	12,483	11,680
Total employed staff	496,984	438,228
Consultant staff	108,507	25,214
Other staff costs	5,777	14,826
	611,268	478,268

In 2015 one member of staff had emoluments between £80,000 and £90,000 (between £70,000 and £80,000 in 2014).

In addition an amount of £ 3,992 (2014 - £3,761) was paid into a defined contribution pension scheme for this employee.

14. Related parties

Travel expenses of £6,324 (2014 - £4,458) were reimbursed to 21 members of Council during the year.

No remuneration was paid to members of Council.

The Secretary & Treasurer, N. Baxter, received loans totalling £18,478 during the year under the staff loan scheme in accordance with the procedure agreed by RIAS Council. The balance at the year-end, after interest of £298, was £15,776.

15. Tangible fixed assets

	Heritable Property	Furnishings	Furniture, Fittings & Equipment	Total
	£	£	£	£
Cost or Valuation				
At 1st January 2015	402,712	41,375	62,758	506,845
Additions	5,462	-	6,207	11,669
Disposals	-	-	(6,079)	(6,079)
At 31st December 2015	408,174	41,375	62,886	512,435
Depreciation				
At 1st January 2015	90,664	18,722	42,272	151,658
Charge for year	5,655	828	7,546	14,029
On disposals	-	-	(5,665)	(5,665)
At 31st December 2015	96,319	19,550	44,153	160,022
Net Book Value				
At 31st December 2015	311,855	21,825	18,733	352,413
At 31st December 2014	312,048	22,653	20,486	355,187

Details of revaluations are disclosed in note 24.

16. Fixed asset investments

	2015 £	2014 £
Listed UK Securities		
Market value at 1 January 2015	268,591	261,678
Add: Acquisitions in year at cost	350	21,287
Less: Disposals at opening book value	(7,931)	(13,396)
Net (loss) / gain on revaluation	(5,050)	(978)
	255,960	268,591
Investment cash accounts	9,523	3,958
Market value at 31 December 2015	265,483	272,549
Historical cost at 31 December 2015	229,316	233,341

The above investments are held for the following funds:

Martin Jones Award endowment fund	194,418	198,752
Unrestricted general fund	71,065	73,797
Market value at 31 December 2015	265,483	272,549

There were no material investments with a value in excess of 10% of the portfolio in either year.

	SBCC Note (a) £	Rare Book Note (b) £	Total 2015 £	Total 2014 £
Unlisted investments				
Valuation at 1 January 2015	21,743	40,250	61,993	56,955
Net gain on revaluation	5,315	-	5,315	5,038
Valuation at 31 December 2015	27,058	40,250	67,308	61,993

- (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 2015.
- (b) The rare book is an original volume of poems by Robert Burns, 'The Kilmarnock Edition', purchased as an investment in 2012 at a cost of £40,250. In the opinion of the trustees the current valuation approximates to the original cost.

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Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

17. Stocks and work in progress

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bookshop stock for resale	23,922	24,081	-	-
Publishing stock - completed titles	2,322	4,798	-	-
Publishing stock - work in progress	10,141	10,141	-	-
Stationery & medals	19,878	13,836	19,878	13,836
	56,263	52,856	19,878	13,836

18. Debtors

	£	£	£	£
<i>Due within one year:</i>				
Trade debtors	107,364	16,043	65,592	7,718
Accrued income	71,012	49,447	19,123	842
Prepayments	25,099	5,931	24,899	5,611
Other debtors	21,719	6,792	21,719	6,792
	225,194	78,213	131,333	20,963

19. Current asset investments

	£	£	£	£
Cash placed on term deposit during the year	75,000	85,000	75,000	85,000

20. Creditors

	£	£	£	£
<i>Amounts falling due within one year:</i>				
Provision for deficiency in subsidiary funds (note 6)	-	-	2,489	2,489
Amount due to subsidiary company	-	-	99,084	37,015
Trade creditors	8,628	32,955	2,721	26,891
Taxation and social security	44,019	30,093	44,019	30,093
Accruals & other creditors	82,528	45,235	53,483	30,860
Deferred income (below)	407,976	334,148	202,134	208,913
	543,151	442,431	403,930	336,261

Movements on deferred income:

Opening balance at 1 January	334,148	210,549	208,913	94,836
Amount released to incoming resources	(255,915)	(132,316)	(208,913)	(94,836)
Amount deferred in year	329,743	255,915	202,134	208,913
Closing Balance at 31 December	407,976	334,148	202,134	208,913

Deferred income at 31 December 2015 comprises prepaid membership and practice services subscriptions, income held for future publications and advance payments for setting up the 'Under One Roof' website.

21. Movement in funds

	At 1/1/15	Incoming Resources	Resources Expended	Net Investment Gain/(Loss)	Transfers	At 31/12/15
	£	£	£	£	£	£
Endowment Fund:						
Martin Jones Award (Note 22)	229,040	6,028	(1,544)	(3,141)	-	230,383
Restricted Income Funds:						
Festival of Architecture	-	257,467	(257,467)	-	-	-
Doolan Award	-	36,000	(36,000)	-	-	-
Other award funds	13,334	16,000	(19,300)	-	-	10,034
Benevolent fund	51,646	-	-	-	-	51,646
Sc. Community Projects	3,346	-	(15)	-	-	3,331
ASSA fund	14,824	3,000	(4,000)	-	-	13,824
Total Restricted Income	83,150	312,467	(316,782)	-	-	78,835
Designated Funds:						
Fixed asset fund	173,133	-	(14,029)	-	14,255	173,359
Unlisted investments	61,993	-	-	5,315	-	67,308
Festival of Architecture	-	-	-	-	80,000	80,000
Chapters contingency fund	7,376	-	(1,677)	-	3,000	8,699
	242,502	-	(15,706)	5,315	97,255	329,366
General Fund	252,908	1,095,486	(984,022)	(2,162)	(94,255)	267,955
Revaluation Reserve	182,054	-	-	-	(3,000)	179,054
Total Unrestricted	677,464	1,095,486	(999,728)	3,153	-	776,375
Total Funds	989,654	1,413,981	(1,318,054)	12	-	1,085,593

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 fund is currently closed due to lack of funds.

Details of restricted funding (grants and sponsorship) for the Festival of Architecture in 2016 are shown in note 5 to the accounts. All was expended during the year.

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 16), which is held in a designated fund, as not representing readily realisable assets.

An amount of £80,000 has been designated out of this year's net income for the **Festival of Architecture** in 2016.

A further £3,000 has been added to the **Chapters contingency fund**, bringing the balance to £8,699.

22. Martin Jones Award Fund

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.

23. Analysis of net assets representing funds

	Endowment Fund	Restricted Funds	Unrestricted Funds Designated	General	Revaluation Reserve	Total Funds
	£	£	£	£	£	£
<i>Fund balances at 31 December 2015 are represented by:</i>						
Tangible fixed assets	-	-	173,359	-	179,054	352,413
Fixed asset investments	194,418	-	67,308	71,065	-	332,791
Stocks and work in progress	-	-	-	56,263	-	56,263
Debtors	-	-	-	225,194	-	225,194
Current asset investments	-	-	-	75,000	-	75,000
Cash at bank and in hand	35,965	78,835	88,699	383,584	-	587,083
Creditors due in one year	-	-	-	(543,151)	-	(543,151)
Net Assets	230,383	78,835	329,366	267,955	179,054	1,085,593

24. 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 (original cost - £14,527)	225,473
Antique & fine art furnishings valued at open market value of £39,245 in January 1988 (original cost - £1,984)	37,261
Less accumulated depreciation charged on revalued amount	(83,680)
Balance on revaluation reserve at 31 December 2015	179,054

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 15) also include the cost of improvements and acquisitions since the revaluations were carried out.

25. Government grants

Assistance from government grants (including inter-governmental agencies) during the year amounted to £200,000 for the Festival of Architecture (previous year £27,500) and £40,000 for architectural awards (previous year - £35,000).