ARCHITECTS REGISTRATION BOARD

ANNUAL REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

ARCHITECTS REGISTRATION BOARD
FOR THE YEAR ENDED 31 DECEMBER 2011
BOARD REPORT

The Board is pleased to present the Annual Report and Accounts of the Architects Registration Board for 2011.

The Board's principal activities during the year are shown below, and reflect the requirements of the Architects Act 1997:

- To maintain and publish the Register of Architects.
- To prescribe ("recognise") the qualifications needed to become an architect.
- To register those who meet ARB's requirements for qualifications, experience and competence.
- To set standards for professional competence.
- To issue a code laying down standards of conduct and practice expected of architects.
- To regulate use of the title "architect".
- To deal with complaints and enquiries from members of the public regarding the conduct and competence of architects.

ARB is the Competent Authority for architects in the UK. In this capacity, ARB liaises with its counterparts in other European countries to fulfill its obligations.

Board Membership 2011

Ruth Brennan	Elected
Colin Brock	Elected
Peter Coe	Appointed
Beatrice Fraenkel	Appointed
Alex Galloway	Appointed
Gordon Gibb	Elected
Agnes Grunwald-Spier	Appointed
Alan Jago	Appointed
David Jones	Appointed
Myra Kinghorn	Appointed
Sarah Lupton	Elected
Andrew Mortimer	Elected
George Oldham	Elected
Neil Watts	Appointed
Bernard Wyld	Elected

Leadership

The Registrar and Chief Executive throughout 2011 was Alison Carr FCIS.

Administration Office 8 Weymouth Street
London
W1W 5BU

Bankers National Westminster Bank Plc
125 Great Portland Street
London
W1A 1GA

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Declaration of Interests
All Board members submit an annual declaration for inclusion within the Board's Register of Interests. Details of the most recent declarations are published with individual Board members' details on ARB's website, www.arb.org.uk.

The Register of Interests is brought to each Board meeting, and members are required to declare any interest they may have in any of the Board's business on the agenda, prior to the discussion of that item taking place.

Auditors
During 2011, ARB's auditors, Crowe Clark Whitehill, undertook one piece of non-audit work which related to corporation tax compliance advice, at a cost of £3,885.

Staff Absence Information
The statistical information on staff sickness records for 2011 is shown below.

There were 17.7 days lost per employee in 2011. This is a significant increase on the figure for 2010 which was 8.5 days. However, one member of staff has been on long-term sick leave, which has had a major impact on the sickness absence figures. From 5,292 working days, ARB lost 372 through sickness absence, 7% overall. Staff turnover for 2011 was 38%.

Staff Pension Arrangements
The Architects Registration Board provides its employees with access to a contributory Group Personal Pension Scheme (otherwise known as a Defined Contribution – DC – arrangement). ARB's liability for this arrangement ceases when employment comes to an end.

This arrangement meets all statutory requirements for employment law relating to employer sponsored pension arrangements.

Additionally, ARB has a closed (also known as Paid Up) Occupational Money Purchase scheme (also referred to as a DC arrangement), but there are no contributions being made to this arrangement and nor have there been for several years. There are no liabilities for future contributions to this scheme.

Board Remuneration Report
The Board met five times during 2011. The average attendance at each meeting was 14.2. On average, Board members spent 14.7 days on Board and Committee business. For further details, please visit the Board's website at www.arb.org.uk

A summary of Board and Committee attendance allowance and expenses paid in 2011:

Amount	Board members
£1 - 6k	9
£7 – 10k	3
£11-15k	3

Health and Safety

There have been no health and safety incidents reported during the year. All the requisite checks and tests have been undertaken.

Equality and Diversity

The Board approved a revised and updated Equality Scheme during 2011. The new scheme focuses on ARB's responsibilities as a public body to adhere to the Public Sector Equality Duty, introduced as a key measure of the Equality Act in April 2011.

The Scheme was revised following ARB being informed that it was not scheduled to be listed under Schedule 19 of the Equality Act. Bodies listed under Schedule 19 are subject to both the general and specific duties of the Act. As ARB is not listed, this means that it is only subject to the general duties, including the public sector equality duty. The Scheme has been redrafted to reflect that position, and while it is proportionate to the requirements of the public sector equality duty, it also demonstrates ARB's continuing commitment to ensure equality of opportunity and fairness to all.

The public sector equality duty requires public bodies, including ARB, to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and those who don't; and
- foster good relations between people who share a protected characteristic and those who don't.

What this means in practice is that ARB must always consider and take these three strands into account in any decision-making process.

Environmental/Recycling

In 2010, ARB successfully introduced a facility for recycling paper and other materials, with the recycling receptacles placed strategically throughout the premises. During its second year of operation, we had saved the equivalent of 47 (34 in 2010) trees by recycling 2,760 (2,010 in 2010) kilos of paper.

Information Security and Data Handling

Due to our statutory functions, we hold a large amount of data, some of which constitutes personal data. We have in place relevant procedures to ensure data is handled appropriately at all times. In May 2011, we reported our Annual Security Report to the Department of Communities and Local Government. No areas of concern were identified.

Employee Involvement

As one of our most valuable resources, securing staff involvement and harnessing their ideas is an important factor in the smooth running of ARB. Regular team and all-staff meetings take place, and staff are always consulted before new staff policies are introduced. Cross-team working groups are another element in ensuring employee involvement. These small groups are established to look at specific issues that may impact upon ARB. For example, a cross-team working group was set up during 2011 to explore ways of improving our levels of service to our stakeholders.

Because the success of the organisation is dependent on engaged and committed staff, we have introduced a rolling programme of staff engagement surveys. It is envisaged that we will conduct an in-depth survey every three years, with the next full survey being undertaken in 2012. In 2011 we undertook a smaller-scale interim survey.

Approved and signed on behalf of the Board

ARB Chair 11.05.12

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a robust system of internal control that supports the achievement of the Architects Registration Board's strategic aims, whilst safeguarding the funds and assets for which I am responsible, in line with Chapter 3 of *Managing Public Money,* published by the Treasury.

In fulfilling my responsibilities as both Accounting Officer and Registrar of the Architects Registration Board (ARB), I work closely with the Board, as under the Architects Act 1997 (as amended) responsibilities for the delivery of the Act are designated to me or the Board. The Board determines the strategic risk strategy of the organisation, which is reviewed and updated annually and the Board receives regular reports on risk and potential impact on ARB.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is an on-going process designed to identify and prioritise the risks to the achievement of ARB's strategic aims, policies and objectives. It is a tool to evaluate the likelihood of those risks being realised and the impact on the organisation should they be realised and it assists with the ability to manage risks efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2011 and up to the date of approval of the annual report and accounts. The system was enhanced during 2011 to include recommendations of the internal auditors on a proportionate basis. The system of internal control accords with Treasury guidance where appropriate and adds value to ARB.

Capacity to handle risk

The Board has overall responsibility for risk management. A fundamental aspect of risk management is assurance that appropriate systems of controls and actions are in place, along with a robust and transparent reporting mechanism of those risks. The Board achieves this by having effective oversight procedures in place.

The Registrar and the management team are responsible for the day-to-day management of risk including the delivery and promotion of sound risk management practices. Staff are aware of ARB's Risk Strategy and are briefed on the Risk Register (described under the risk and control framework below) at least twice a year, as well as being invited to comment on the Register at monthly staff meetings.

The risk and control framework

The Board has in place a risk management strategy which is reviewed and updated once a year. The strategy specifies how ARB identifies, assesses and manages risk which may impact on ARB's delivery of its strategic aims. The strategy has six Principles underpinning ARB's approach and it acknowledges that as a statutory body, ARB is naturally risk-averse, as risk is often seen in financial terms as having an adverse impact on ARB's ability to deliver. ARB generally works to minimise and control risk.

ARB has a Risk Register, which logs and tracks risks faced by ARB. The Risk Register is a key tool within the Risk Management Plan. The Risk Register is reviewed at least monthly at management meetings. New risks are added and consideration is given to the residual level of risk, identified after controls have been applied. The level of risk is adjusted where appropriate and some risks are removed. Actions and controls are also reviewed and amended as necessary according to the level of risk.

ARB's Risk Register has been divided into different risk categories: Governance Risk; Reputational Risk/Resource Risk; and Risk to Effective Delivery of Statutory Functions. Each risk level is then quantified using the likelihood and impact method. Controls are identified and actions put in place for each risk. A Risk Manager is assigned to the risk and a Risk Owner specified.

The Audit Committee has considered the key risks and developed, along with the Registrar and management team, a rolling programme of reviews. During the year, the Audit Committee's appointed internal auditors, Mazars LLP, undertook a risk assurance exercise, a review of financial procedures and performed internal audit work on the organisation's Registration and Professional Standards processes and procedures.

The Audit Committee agreed the internal audit recommendations and implementation plan, including improvement to the internal control systems, which is being delivered by the Registrar and management team. The Audit Committee are provided with updates on the progress of the implementation plan at each meeting.

The Audit Committee also considered the independent review and update to the Financial Procedures manual, which is continually being reviewed by Management to ensure mitigation of risk and added value to the organisation. The Committee also received management reports on staff expenses and staff policies. The Committee reviewed and made recommendations to the Board on the Reserves policy.

Information and Data Security

ARB is committed to ensuring personal data held by the organisation is held securely and used appropriately. The organisation operates a range of measures to help safeguard personal and other data, including

- A commitment to data quality and accuracy
- The provision of a confidential session at each Board meeting
- A fire warden
- A "security shredding" contract with a trusted market leader
- Industry-standard encryption of data for transfer and external storage
- Information security training for staff
- IT services, policies and guidelines for staff
- Statements on privacy, data protection, copyright and publishing
- Compliance and monitoring tools for email, internet and telecommunication services
- Physical security measures (including safe, access control systems and intruder alarm) both internally and at the perimeter
- Off-site vaults and storage facilities with military-grade security
- Web sites operated by the Board for the collection and processing of personal data incorporate Extended Validation security certificates for enhanced privacy and fraud prevention
- ISO-certified destruction of information assets
- Industry-standard firewall appliances to protect the Board's private network from attack and intrusion
- Network penetration-testing for the protection of the Board's private network

Risk Management Tools

The tools used in risk management within ARB include the following:

- Regular management information, including performance indicators and trends, which are considered by management and also by the Board twice yearly
- Appropriate insurance arrangements
- The publication of ARB's open session Board papers, Board expenses and attendance allowances and the Registrar's expenses
- Regular review of ARB's Staff Handbook
- External advisers used to ensure health and safety compliance
- Terms of reference for all Committees
- Board and Committee papers for new or revised policies include an assessment of risk and resource implications
- Staff and Board horizon scanning of the organisation risk landscape
- Regular reviews of investment and reserves policy
- Whistleblowing policy
- Fraud and Bribery prevention policy
- Staff training, including fire safety and security training
- Regular reviews of operating procedures and an ethos of continuous improvement
- Staff working groups to identify improvements and efficiencies in targeted areas
- Effective corporate governance, including a defined reporting cycle to the Board and an appropriate Committee structure, including Audit and Remuneration Committees
- Stringent budgeting process, linked with the Business Plan and three year forecasts
- Regular management accounts provided to the Board
- A scheme of delegated authority, which is reviewed at least annually by the Audit Committee and agreed by the Board
- A financial procedures manual
- A programme of formal internal audit using external advisers

As Accounting Officer, I attend all Board meetings, Internal Management Team meetings and Audit Committee meetings. I also attend other Board Committee meetings and the Remuneration Committee where it is appropriate to do so.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the management team within ARB, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The tools used in ARB's risk management are outlined in the risk and control framework above. The key risk considered during 2011 was judicial review or legal action in respect of decisions taken by the Board, the Registrar or the Professional Conduct Committee.

I have identified no significant on-going weaknesses, in the systems of internal controls and welcome the continuing programme of external reviews and ARB's commitment to continuously assess its procedures for both quality and efficiency.

Signed

Alison Carr, Registrar and Accounting Officer 16.05.2012

ARCHITECTS REGISTRATION BOARD
FOR THE YEAR ENDED 31 DECEMBER 2011
STATEMENT OF RESPONSIBILITIES

Statement of responsibilities of the Board and the Accounting Officer in respect of the accounts

Under the Framework agreement drawn up jointly between the Architects Registration Board and the Department for Communities and Local Government, the Architects Registration Board will prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the CLG and where appropriate, in compliance with the Treasury Financial Reporting Manual. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Architects Registration Board and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer must take into account the requirements of the Treasury Financial Reporting Manual, and in particular to:

- observe the Accounts Direction issued by the Department for Communities and Local Government, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Treasury Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Department for Communities and Local Government has designated the Registrar as Accounting Officer of the Architects Registration Board. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Architects Registration Board's assets, are set out in Chapter 3 of Managing Public Money published by the Treasury.

Signed by

Alison Carr, Registrar and Accounting Officer

16.05.2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARCHITECTS' REGISTRATION BOARD

We have audited the financial statements of the Architects Registration Board for the year ended 31 December 2011 set out on pages 10 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and the 2011/12 Government Financial Reporting Manual (FReM) which applies International Financial Reporting Standards as adopted by the European Union (IFRSs).

This report is made solely to the members of the Architects Registration Board, as a body, under the Architects Act 1997. Our audit work has been undertaken so that we might state to the Board Members 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 Architects Registration Board and the Board Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board's and Accounting Officer's responsibilities, the Board and Accounting officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Architects Registration Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Architects Registration Board; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board's Report and any other surround information 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 Architects Registration Board's affairs as at 31 December 2011 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London
Date: 17 May 2012

ARCHITECTS REGISTRATION BOARD
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	£	2011 £	2010 £
OPERATING INCOME				
Registration and retention fees	3	**2,733,178**		*2,878,072*
Prescribed examinations		**171,312**		*175,582*
Penalties and sundry receipts	4	**22,564**		*42,844*
Sales of the register of architects		**1,480**		*2,405*
Investment income	5	**33,795**		*24,309*
Total operating income		**2,962,329**		*3,123,212*
EXPENDITURE				
Employee salaries and benefits	6	**1,175,946**		*1,251,760*
Office costs	7	**384,899**		*380,732*
		1,560,845		*1,632,492*
Printing and records	8	**81,790**		*120,012*
IT charges	9	**306,748**		*373,795*
Board allowances and expenses		**57,512**		*69,103*
Legal and other professional charges	10	**688,040**		*657,338*
Other administrative expenses	11	**302,139**		*284,491*
Total operating expenditure		**1,436,229**		*1,504,739*
			2,997,074	*(3,137,231)*
OPERATIONAL DEFICIT FOR THE YEAR			**(34,745)**	*(14,019)*
Net gains on investments			**283,879**	*121,886*
SURPLUS FOR THE YEAR BEFORE TAXATION			**249,134**	*107,867*
Taxation	18		**(62,513)**	*(28,354)*
RETAINED SURPLUS FOR THE YEAR			**186,621**	*79,513*
RESERVES AT THE START OF THE YEAR			**1,571,280**	*1,491,767*
RESERVES AT THE END OF THE YEAR			**1,757,901**	*1,571,280*

There are no recognised gains and losses other than those included above. All activities are continuing.

ARCHITECTS REGISTRATION BOARD
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
NON-CURRENT ASSETS			
Property, plant and equipment	12	**455,674**	*500,330*
Investments	13	**1,776,996**	*1,469,950*
Total non-current assets		**2,232,670**	*1,970,280*
CURRENT ASSETS			
Trade and other receivables	14	**105,830**	*89,904*
Cash and cash equivalents		**149,262**	*77,966*
Total current assets		**255,092**	*167,870*
TOTAL ASSETS		**2,487,762**	*2,138,150*
Current liabilities			
Trade and other payables	15	**418,155**	*339,030*
Deferred income		**311,706**	*227,840*
Total current liabilities		**729,861**	*566,870*
ASSETS LESS LIABILITIES		**1,757,901**	*1,571,280*
TOTAL RESERVES		**1,757,901**	*1,571,280*

These financial statements were approved by the Board and authorised for issue on 11th May 2012

Board members

ARCHITECTS REGISTRATION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	2010 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Operational deficit for the year		**(34,745)**	*(14,019)*
Adjustments for non-cash income and expenses			
Depreciation of property, plant and equipment	**113,725**		*96,168*
Changes in operating assets and liabilities			
Increase in trade and other receivables	**(15,926)**		*(13,912)*
Increase / (decrease) in trade, other payables and deferred income	**162,991**		*(2,451)*
Net cash inflow from operating activities	**226,045**		*65,786*
Cash flows from investing activities			
Proceeds from the sale of investments	**1,335,530**		*737,990*
Purchase of investments	**(1,358,697)**		*(832,454)*
Purchases of equipment	**(69,069)**		*(35,927)*
Net cash used in investing activities	**(92,236)**		*(130,391)*
Taxation	**(62,513)**		*(13,381)*
Net increase/(decrease) in cash and cash equivalents		**71,296**	*(77,986)*
Cash and cash equivalents at the start of the year		**77,966**	*155,952*
Cash and cash equivalents at the end of the year		**149,262**	*77,966*

All cash is represented by cash on hand

ARCHITECTS REGISTRATION BOARD
STATEMENT OF CHANGES IN RESERVES
AT 31 DECEMBER 2011

	Designated Reserve £	Operational Reserve £	Revaluation reserve £	**Total reserves £**
Balance at 1 January 2011	63,000	1,386,321	121,959	**1,571,280**
Surplus for the year	-	87,989	98,632	**186,621**
Transfer between reserves	(30,000)	30,000	-	**-**
Balance at 31 December 2011	33,000	1,504,310	220,591	**1,757,901**

At 31 December 2011, designated reserves represented the IT sinking fund (£7,000 - to cover the cost of ensuring that the organisation's computer systems remain up to date and efficient), the Election Fund (£20,000 – set up to cover the cost of the triennial election of the ARB Board) and the Maintenance Reserve (£6,000 – set up to cover the regular cost of redecoration of the offices in accordance with the terms of the lease).

At 31 December 2011, the revaluation reserve represented the closing market value less historic cost value of ARBs investments (accumulated unrealised gains). The establishment of the revaluation reserve follows the adoption of IFRS in 2010 which required that investments be shown as fair value rather than cost under UK GAAP.

1. GENERAL INFORMATION

The Architects Registration Board is incorporated under the Architects Act 1997. The ARB's principal address is shown on page 1. Its principal activity is acting as the statutory regulator for architects in the UK

2. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the 2011/12 Government Financial Reporting Manual (FReM) issued by the Department for Communities and Local Government. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the ARB for the purpose of giving a true and fair view has been selected. The particular policies adopted by ARB are described below. They have been applied consistently in dealing with items that are considered material to the accounts. They are presented in the units of currency of the United Kingdom.

Going concern

After making enquiries, the ARB has a reasonable expectation that the organisation will be able to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the ARB and the revenue can be reliably measured. Income is measured at the fair value of the consideration received. Income arising from the provision of services is recognised when and to the extent that the ARB obtains the right to consideration in exchange for the performance of its contractual obligations.

Retention fees are recognised in the period over which they entitle an individual to be listed on the Register of Architects. Registration and prescribed examination fees are recognised in the year in which the prescribed examination takes place. Income from investments and cash is recognised in the period in which the income is earned. Income from sales of the register to third parties is recognised in the year in which the sale takes place.

c) Trade and other receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets. They are initially recognised at fair value and are subsequently carried at invoiced value. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

d) Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. They are categorised as financial liabilities at amortised cost.

e) Pension costs

The ARB operates a defined contribution pension scheme on behalf of its employees. Contributions are charged to the income and expenditure account as they fall due.

f) Operating leases

Rentals payable are accounted for on a straight line basis over the term of the lease.

g) Plant and equipment

Plant and equipment is stated at historic cost less accumulated depreciation and impairment losses. Individual assets costing £500 or more are capitalised and subsequently depreciated. Items costing less than £500 are written off to the income and expenditure account in the year of acquisition.

Depreciation is charged so as to allocate the cost assets over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold improvements	- over 10 years
Office furniture and equipment	- over 5 years
IT and electronic equipment	- over 3 years

h) Taxation

The tax currently payable is based on investment income earned and gains on investments during the year as the ARB is a mutual trading organisation.

i) Cash and cash equivalents

These financial assets include cash in hand and deposits held on call with banks.

j) Impairment of non-financial assets

The ARB assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the ARB estimates the asset's recoverable amount.

k) Investments

Investments comprise holdings of a number of UK gilts. The fair value of the investments is based on the closing market value at the accounting date. Gains and losses arising from changes in market value are included within the Income and Expenditure Statement. Investments are categorised as 'Financial Assets at fair value through the profit and loss.

3. REVENUE - REGISTRATION AND RETENTION FEES

	2011 £	2010 £
Registration fees	**59,492**	*74,964*
Retention fees	**2,673,686**	*2,803,108*
	2,733,178	*2,878,072*

4. REVENUE - PENALTIES AND SUNDRY RECEIPTS

	2011 £	2010 £
Penalties paid on reinstatement to the Register	**19,180**	*37,044*
Sundry receipts	**3,384**	*5,800*
	22,564	*42,844*

5. OTHER INCOME - INVESTMENT INCOME

Government stocks	**29,128**	*19,223*
Interest on bank deposits	**4,667**	*5,086*
	33,795	*24,309*

6. STAFF COSTS

Salaries and national insurance	**948,961**	*1,053,640*
Staff pension scheme	**98,108**	*117,149*
Medical and permanent health insurance	**33,618**	*32,336*
Recruitment costs	**44,383**	-
Staff training	**17,283**	*22,392*
Temporary staff	**33,593**	*26,243*
	1,175,946	*1,251,760*

	No.	No.
Staff numbers (average full time equivalent)	**20**	*21*

Emoluments in respect of higher paid employees fell within the following ranges:

	No.	No.
£60,000 - £70,000	**1**	*1*
£100,000 - £110,000	**1**	*1*

Payments were made into defined contribution pension schemes totalling £23,686 (2010: £23,686) in respect of these employees.

7. OFFICE COSTS

	2011 £	2010 £
Rent	**127,625**	*85,000*
Rates	**80,045**	*65,801*
Building related costs	**19,020**	*48,397*
Insurance	**6,085**	*4,725*
Electricity	**14,763**	*15,893*
Office cleaning	**20,618**	*21,627*
Postage and telephone	**44,122**	*64,954*
Maintenance of office equipment	**1,695**	*1,737*
Depreciation: leasehold improvements	**51,733**	*51,733*
Depreciation: furniture and equipment	**19,193**	*20,865*
	384,899	*380,732*

8. PRINTING AND RECORDS

Printing	**73,949**	*99,987*
Stationery	**6,280**	*17,682*
Journals and newspapers	**1,561**	*2,343*
	81,790	*120,012*

9. IT CHARGES

Depreciation: IT equipment	**42,799**	*23,571*
IT costs	**263,949**	*350,224*
	306,748	*373,795*

10. LEGAL AND OTHER PROFESSIONAL CHARGES

Remuneration to external auditors:		
External audit services	**16,800**	*15,716*
Other services – advice on implementation of IFRS	**-**	*3,936*
- corporation tax compliance advice	**2,544**	*1,763*
Legal expenses and professional charges	**668,696**	*635,923*
	688,040	*657,338*

11. OTHER ADMINISTRATION EXPENSES	2011 £	2010 £
Bank charges	**32,383**	*23,224*
Sundry expenses	**13,130**	*13,592*
Staff travel expenses	**17,605**	*17,599*
Prescribed examination	**95,527**	*102,587*
Prescription	**36,646**	*44,690*
Registration services	**39,904**	*39,277*
Public and professional awareness	**34,188**	*26,874*
Qualifications expenses	**29,187**	*12,289*
Document storage	**3,569**	*4,359*
	302,139	*284,491*

12. PROPERTY, PLANT AND EQUIPMENT	Leasehold improvements	Office equipment £	IT equipment £	Total £
Cost				
At 1 January 2011	517,325	99,904	188,944	806,173
Additions	-	-	69,069	69,069
Disposals	-	-	(65,972)	(65,972)
At 31 December 2011	517,325	99,904	192,041	809,270
Accumulated depreciation				
At 1 January 2011	103,465	44,227	158,151	305,843
Charge for the year	51,733	19,193	42,799	113,725
Disposals	-	-	(65,972)	(65,972)
At 31 December 2011	155,198	63,420	134,978	353,596
Carrying amount				
At 31 December 2011	**362,127**	**36,484**	**57,063**	**455,674**
At 31 December 2010	413,860	55,677	30,793	500,330

13. INVESTMENTS

	2011 £	2010 £
At cost		
At start of year	**1,469,950**	*1,253,600*
Additions	**1,358,697**	*832,454*
Disposal proceeds	**(1,335,530)**	*(737,990)*
Net gains on investments	**283,879**	*121,886*
At end of year	**1,776,996**	*1,469,950*
Cost at end of year	**1,556,404**	*1,347,990*

All investments are held in UK gilts.

14. TRADE AND OTHER RECEIVABLES

	2011 £	2010 £
Other debtors	**14,903**	*18,265*
Prepayments	**90,927**	*71,639*
	105,830	*89,904*

Other debtors relate to employee season-ticket loans. There are no impaired financial assets.

15. TRADE AND OTHER PAYABLES

	2011 £	2010 £
Trade creditors	**172,956**	*142,876*
Corporation tax	**56,697**	*24,507*
Social security and other taxes	**45,194**	*51,434*
Accruals	**143,308**	*120,213*
	418,155	*339,030*

It is the ARB's policy to pay purchase invoices within 30 days of receipt.

16. PENSIONS

The Staff Pension Scheme is a defined contribution scheme. The cost of contributions during the period was £98,108 (2010: £117,149). There are no outstanding or prepaid contributions at the balance sheet date. The assets of the scheme are held separately from those of the Architects Registration Board in an independently administered fund.

17. LEASING COMMITMENTS

The Architects Registration Board is committed to making the following minimum annual payments under operating leases which expire:

	Land and buildings	
	2011	*2010*
	£	*£*
In more than five years	**817,475**	*801,000*

The Architects Registration Board is committed to the lease on its Weymouth Street premises until April 2019. During 2009, the floor space was increased by approximately 121 square metres. No rent will be payable on this extra floor space until 24 December 2015 after which rent will be payable at opening market value.

18. TAXATION

The ARB is a mutual trading organisation and is therefore taxed only on outside sources of income. Historically this has been investment income. Income tax was calculated at between 20% and 21% (2010: 21%) of investment income and gains on investments during the period.

19. RELATED PARTY TRANSACTIONS - ARCHITECTS REGISTRATION BOARD STAFF BENEVOLENT FUND

The Architects Registration Board is able to appoint the trustees of the Architects Registration Board Staff Benevolent Fund. At 31 December 2011, all trustees of the Fund were members of the Board of the Architects Registration Board. The cost of the Fund's audit together with other administration expenses is met by the Architects Registration Board.

20. BOARD REMUNERATION AND EXPENSES

Board members received an attendance allowance of £250 per day for attending Board meetings and participating in other Board business and committees.

The total attendance allowances paid during 2011 were £80,379 (2010: £96,286) which includes allowances paid to Board members for their roles as members of other committees.

Board members are also able to claim travel and subsistence expenses. Expenses totalling £20,246 (2010: £18,399) were claimed during the year.

21. CURRENCY RISK

The ARB does not hold balances in foreign currencies. All fees payable are required to be settled in UK sterling and so the ARB is not exposed to current risk.

22. LIQUIDITY AND CREDIT RISK

The ARB aims to maintain a minimum of four months' operating costs as a reserve and reserves during the year to 31 December 2011 were in excess of this level. As stated above, the majority of the ARB's income is received at the start or before the start of the financial year. The ARB has no borrowings (or legal right to do so) and monies required for short term working capital requirements are held in accounts with no significant restrictions on access. The ARB does not consider that there is a significant exposure to liquidity or credit risk.

23. INTEREST RATE RISK

Registrants pay annual fees at the start or prior to the start of each financial year. In addition, the ARB has reserves equating to around six months' annual expenditure. Surplus funds are held as follows to maximise returns:

UK gilts The element of the ARB's reserves not required for short term working capital are held in UK gilts. During the year to 31 December 2011, these gilts generated a return of around 1% (2010: 1%)

Business reserve There is a sweeping system in operation from the ARB's current account to the business reserve in order to maximise interest earned on monies needed for short term working capital requirements.

Treasury reserve Monies not required for short term working capital is invested in higher interest accounts with the ARB bankers.

Interest rate risk is not considered significant in terms of the ARB requiring returns to finance its operations.