

**ARCHITECTS REGISTRATION BOARD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**



Horwath Clark Whitehill LLP  
*Chartered Accountants*  
St Bride's House, 10 Salisbury Square  
London EC4Y 8EH, UK  
Tel: +44 (0)20 7842 7100  
Fax: +44 (0)20 7583 1720  
DX: 0014 London Chancery Lane  
[www.horwathcw.com](http://www.horwathcw.com)

# ARCHITECTS REGISTRATION BOARD

## GENERAL INFORMATION

---

### BOARD MEMBERS

#### Appointed Members

Mr Michael Starling (to 31 March 2009) Chair to 11 March 2009  
Mrs Beatrice Fraenkel (appointed 5 November 2008)  
Chair from 12 March 2009  
Professor Alice Brown (to 31 July 2008)  
Mr Peter Coe (appointed 1 April 2009)  
Mr Philip Cunliffe (resigned 31 March 2008)  
Mr Alex Galloway CVO  
Mrs Agnes Grunwald-Spier (appointed 1 April 2008)  
Mr Richard Henschley (to 31 March 2009)  
Professor Alan Jago (appointed 1 April 2009)  
Mr David Jones  
Ms Myra Kinghorn (appointed 1 April 2008)  
Professor Nirmala Rao (to 31 March 2009)  
Ms Jane Rees (to 31 March 2008)  
Mr Neil Watts (appointed 1 April 2009)

#### Elected Architect Members:

Mr Mark Benzie (to 31 March 2009)  
Mrs Ruth Brennan (elected 1 April 2009)  
Mr Colin Brock  
Mr Gordon Gibb (elected 1 April 2009)  
Ms Sarah Lupton  
Mr Andrew Mortimer (elected 1 April 2009)  
Mr George Oldham  
Mr Derek Salter (to 31 March 2009)  
Mr Nicholas Tweddell (to 31 March 2009)  
Professor Tom Woolley (to 31 March 2009)  
Mr Bernard Wyld (elected 1 April 2009)

#### ADMINISTRATION OFFICE

8 Weymouth Street  
London  
W1W 5BU

#### BANKERS

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

#### AUDITORS

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

**ARCHITECTS REGISTRATION BOARD**  
**STATEMENT OF THE BOARD'S RESPONSIBILITIES FOR THE FINANCIAL**  
**STATEMENTS**

---

**STATEMENT OF THE BOARD'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

It is considered that the Board is required to prepare, for each financial year, financial statements which give a true and fair view of the state of the affairs of the Architects Registration Board and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and to apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Architects Registration Board will continue its activities.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Architects Registration Board. They are also responsible for safeguarding the assets of the Architects Registration Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the website of the Architects Registration Board.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCHITECTS REGISTRATION BOARD

We have audited the financial statements of the Architects Registration Board (ARB) for the year ended 31 December 2008 which comprise the Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

### Respective responsibilities of the Board and auditors

The Board's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Board's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the organisation has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the entity, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Architects Registration Board as at 31 December 2008 and of its surplus for the year then ended.



**HORWATH CLARK WHITEHILL LLP**

Chartered Accountants and  
Registered Auditors

26 May 2009

St. Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

**ARCHITECTS REGISTRATION BOARD**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	£	2008 £	2007 £
<b>INCOME</b>				
Registration and retention fees	3	2,797,798		2,738,616
Penalties and sundry receipts	4	43,284		51,082
Investment income	5	81,916		87,561
Sales of the register of architects		1,170		3,209
			<u>2,924,168</u>	<u>2,880,468</u>
Loss on sale of investments	6	(8,077)		-
			<u>2,916,091</u>	<u>2,880,468</u>
<b>EXPENDITURE</b>				
Establishment costs				
Staff	7	1,215,837		1,054,048
Office	8	241,808		274,206
			<u>1,457,645</u>	<u>1,328,254</u>
Printing and records	9	186,788		152,424
IT charges	10	189,331		185,344
Board expenses		114,592		105,857
Legal and other professional charges	11	592,934		456,426
Other administrative expenses	12	392,113		353,701
			<u>(2,933,403)</u>	<u>(2,582,006)</u>
<b>Operating (deficit) / surplus for the Year</b>			<b>(17,312)</b>	<b>298,462</b>
<b>Transfers to/(from) operating reserves</b>				
Premises maintenance reserve	19a	(6,000)		(6,000)
IT Sinking fund	19b	(7,000)		(7,000)
Election fund	19c	(8,000)		(8,000)
			<u>(21,000)</u>	<u>(21,000)</u>
<b>Transferred (from) / to operating reserve fund</b>			<b>(38,312)</b>	<b>277,462</b>


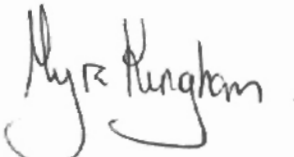
All recognised gains and losses are included in the income and expenditure account and arise from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

**ARCHITECTS REGISTRATION BOARD**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2008**

	Notes	£	2008 £	2007 £
<b>FIXED ASSETS</b>				
Tangible	13		25,595	34,607
Investments	14		<u>1,362,735</u>	<u>778,769</u>
			<b>1,388,330</b>	<b>813,376</b>
<b>CURRENT ASSETS</b>				
Debtors	15	78,852		72,191
Cash at bank and in hand		<u>476,534</u>		<u>832,539</u>
		<b>555,386</b>		<b>904,730</b>
<b>CREDITORS: amounts falling due within one year</b>				
Annual fees received in advance		270,617		43,096
Other creditors	16	<u>260,768</u>		<u>245,367</u>
		<b>531,385</b>		<b>288,463</b>
<b>NET CURRENT ASSETS</b>			<b>24,001</b>	<b>616,267</b>
<b>NET ASSETS</b>			<u><b>1,412,331</b></u>	<u><b>1,429,643</b></u>
<b>OPERATING RESERVE FUND</b>				
Balance at start of year		1,329,643		1,052,181
Operating (deficit) / surplus for the year		<u>(17,312)</u>		<u>298,462</u>
Transfers (from) operating reserve		<u>(21,000)</u>		<u>(21,000)</u>
Balance at end of year	18	<u><b>1,291,331</b></u>		<u><b>1,329,643</b></u>
<b>DESIGNATED FUNDS</b>				
Premises maintenance reserve	19a	72,000		66,000
IT Sinking fund	19b	33,000		26,000
Election fund	19c	<u>16,000</u>		<u>8,000</u>
		<b>121,000</b>		<b>100,000</b>
<b>ACCUMULATED FUNDS</b>			<u><b>1,412,331</b></u>	<u><b>1,429,643</b></u>

These financial statements were approved by the Board and authorised for issue on 21 MAY 2009

  
  
 } Board members

The notes on pages 6 to 11 form part of these financial statements.

**ARCHITECTS REGISTRATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**1. ACCOUNTING POLICIES**

**a) Basis of accounting**

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**b) Income recognition**

Registration and retention fees are recognised over the period to which they relate. Prepaid fees are deferred until the next accounting period. All other income is accounted for on an accruals basis.

**c) Investment income**

Income from investments and cash held as part of the investment portfolio is shown net of tax in the income and expenditure account.

**d) Expenditure**

Expenditure is accounted for on an accruals basis.

**e) Pension costs**

Contributions to the defined contribution staff pension scheme 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) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Office furniture and equipment	- over 5 years
IT and electronic equipment	- over 3 years

**h) Investments**

Investments are shown at cost less any provision for permanent diminution in value. Market value is disclosed in the notes to the financial statements.

**2. TAXATION**

The Architects Registration Board is subject to corporation tax on investment income and capital gains.

**3. REGISTRATION AND RETENTION FEES**

	2008 £	2007 £
Registration fees	86,838	93,369
Prescribed examinations	222,205	207,146
Retention fees	<u>2,488,755</u>	<u>2,438,101</u>
	<u>2,797,798</u>	<u>2,738,616</u>

**ARCHITECTS REGISTRATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>4. PENALTIES AND SUNDRY RECEIPTS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Penalties paid on reinstatement to the Register	36,461	38,327
Sundry receipts	6,823	12,755
	<u>43,284</u>	<u>51,082</u>
<b>5. INVESTMENT INCOME</b>		
Government stocks	18,099	17,444
Interest on bank deposits	84,296	90,524
	102,395	107,968
Less: Taxation charge for the year at 20/21% (2007: 20/19%) (Note 2)	(20,479)	(20,407)
	<u>81,916</u>	<u>87,561</u>
<b>6. LOSS ON SALE OF INVESTMENTS</b>		
Loss on sale of Governments stocks	8,077	-
	<u>8,077</u>	<u>-</u>
A capital loss of £38,599 (2007: £30,522) is being carried forward to set against future capital gains.		
<b>7. STAFF COSTS</b>		
Salaries and national insurance	939,019	826,443
Staff pension scheme	98,085	83,601
Medical and permanent health insurance	26,015	24,858
Recruitment costs	32,245	31,097
Staff training	30,904	21,490
Temporary staff	89,569	66,559
	<u>1,215,837</u>	<u>1,054,048</u>
	<b>No.</b>	<b>No.</b>
Staff numbers (average for the year)	<u>22</u>	<u>19</u>

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

	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	1	1
£100,000 - £110,000	1	1

In addition payments were made into defined contribution pension schemes totalling £22,102 in respect of these employees.



**ARCHITECTS REGISTRATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>8. OFFICE COSTS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Rent	86,722	91,347
Rates	39,343	37,948
Building related costs	19,821	32,832
Insurance	4,141	4,597
Electricity	2,004	8,052
Office cleaning	1,883	18,911
Postage and telephone	82,923	73,608
Maintenance of office equipment	1,602	1,776
Depreciation: furniture and equipment	3,369	5,135
	<u>241,808</u>	<u>274,206</u>
 <b>9. PRINTING AND RECORDS</b>		
Printing	172,239	135,762
Stationery	12,986	10,984
Reporting charges	-	4,080
Journals and newspapers	1,563	1,598
	<u>186,788</u>	<u>152,424</u>
 <b>10. IT CHARGES</b>		
Depreciation: IT equipment	17,330	21,046
IT costs	172,001	164,298
	<u>189,331</u>	<u>185,344</u>
 <b>11. LEGAL AND OTHER PROFESSIONAL CHARGES</b>		
Remuneration to auditors:		
Audit services - current year	15,000	14,276
Legal expenses and professional charges	577,934	442,150
	<u>592,934</u>	<u>456,426</u>

**ARCHITECTS REGISTRATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 £
<b>12. OTHER ADMINISTRATION EXPENSES</b>		
Bank charges	22,145	22,636
Sundry expenses	26,138	18,046
Staff travel expenses	19,308	20,361
Prescribed examination	113,344	114,005
Prescription	62,105	33,114
Registration services	62,744	54,023
Public and professional awareness	54,871	37,570
Qualifications expenses	18,603	38,020
Document storage	12,855	15,926
	<u>392,113</u>	<u>353,701</u>
<b>13. TANGIBLE FIXED ASSETS</b>		
	Office equipment £	IT equipment £  Total £
<b>Cost</b>		
At 1 January 2008	93,285	155,411 248,696
Additions	-	11,686 11,686
Disposals	-	(7,024) (7,024)
<b>At 31 December 2008</b>	<u>93,285</u>	<u>160,073 253,358</u>
<b>Depreciation</b>		
At 1 January 2008	82,629	131,460 214,089
Charge for the year	3,369	17,329 20,698
Disposals	-	(7,024) (7,024)
<b>At 31 December 2008</b>	<u>85,998</u>	<u>141,765 227,763</u>
<b>Net book value</b>		
<b>At 31 December 2008</b>	<u>7,287</u>	<u>18,308 25,595</u>
<i>At 31 December 2007</i>	<u>10,656</u>	<u>23,951 34,607</u>
<b>14. INVESTMENTS (All Fixed Interest UK Gilts)</b>		
	2008 £	2007 £
<b>At cost</b>		
At start of year	778,769	778,769
Additions	2,095,810	-
Disposals at cost	(1,511,844)	-
<b>At end of year</b>	<u>1,362,735</u>	<u>778,769</u>
<b>Market value at end of year</b>	<u>1,418,844</u>	<u>844,877</u>

**ARCHITECTS REGISTRATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

15. DEBTORS	2008 £	2007 £
Other debtors	10,664	7,938
Prepayments and accrued income	<u>68,188</u>	<u>64,253</u>
	<u>78,852</u>	<u>72,191</u>

**16. OTHER CREDITORS**

Trade creditors	43,568	69,361
Corporation tax	16,861	16,918
Social security and other taxes	53,934	51,459
Other creditors	<u>146,405</u>	<u>107,629</u>
	<u>260,768</u>	<u>245,367</u>

**17. PENSIONS**

The Staff Pension Scheme is a defined contribution scheme. The cost of contributions during the period was £98,085 (2007: £83,601). 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.

**18. LEASING COMMITMENTS**

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

	Land and buildings
In more than five years	<u>85,000</u> <u>85,000</u>

The Architects Registration Board is committed to the lease on its Weymouth Street premises until 2066. It has recently concluded negotiations with its landlords, Elvaston Investment Limited, after agreeing with them a proposal to increase the floor space at ARB by approximately 121 square metres. All costs for the extension works are being met by Elvaston. The Board will be responsible for the internal refurbishment of its premises.

As part of the negotiations the Board will, after a period in temporary accommodation, secure a modern, assignable tenancy in place of the onerous 58-year lease it currently has. Elvaston Investment Limited is meeting the costs of ARB's temporary accommodation for the duration of the building works.

**19. OPERATING RESERVE FUND**

The Board has decided to maintain a minimum of 4 months operating costs as a reserve.

# ARCHITECTS REGISTRATION BOARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 20. DESIGNATED FUNDS

The Board has decided to set aside the following Designated Funds:

#### (a) Premises Maintenance Reserve

Specific reserve to cover the regular cost of redecoration of the offices in accordance with the terms of the lease.

	2008 £	2007 £
Balance at start of year	66,000	60,000
Transfer from operating reserve fund	6,000	6,000
Balance at end of year	72,000	66,000

#### (b) IT Sinking Fund

Specific reserve to cover the cost of ensuring that the organisation's computer systems remain up to date and efficient.

Balance at start of year	26,000	19,000
Transfer from operating reserve fund	7,000	7,000
Balance at end of year	33,000	26,000

#### (c) Election fund

Specific reserve to cover the cost of the triennial election of the ARB Board.

Balance at start of year	8,000	-
Transfer from operating reserve fund	8,000	8,000
Balance at end of year	16,000	8,000

### 21. 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 2008 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.