ARCHITECTS REGISTRATION BOARD
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

ARCHITECTS REGISTRATION BOARD
FOR THE YEAR ENDED 31 DECEMBER 2015
PERFORMANCE REPORT

Overview

Statement of Registrar & Chief Executive

Statement of the Registrar & Chief Executive, Karen Homes, on the performance of the Architects Registration Board in 2015.

Purpose and activities of the Architects Registration Board (ARB)

ARB is a statutory body established by Parliament under the Architects Act 1997 (the Act) to regulate the architects' profession in the UK.

Under the provisions of the Act, ARB's main activities include:

- Prescribing – or 'recognising' - the qualifications needed to become an architect
- Keeping the Register of Architects
- Issuing a Code of Conduct for architects
- Investigating allegations of unacceptable professional conduct and serious professional incompetence against architects
- Regulating the title 'architect'
- Act as the UK's Competent Authority for architects

ARB's two strategic aims, which sit under its statutory responsibilities, are:

- Protecting the consumer
- Supporting architects through regulation

A Board of 15 members, seven of which are architects elected by the profession, and the remaining eight non-architects appointed by the Privy Council, oversees the work of ARB.

ARB has a permanent staff of 22, including an executive team of four.

The work of ARB is largely delivered through a number of committees; further information on our committee structures can be found detailed within the Governance Statement.

Risks in delivering ARB's objectives

ARB has in place a risk management strategy, which is reviewed and updated annually. 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 by taking an appropriate and proportional approach to it.

A number of key risks have been identified that could affect ARB's ability to deliver its objectives:

Periodic Review

The key risk during 2015 was the impact the on-going Periodic Review had on ARB's ability to fulfil its statutory obligations effectively. The on-going uncertainty created the potential for the standing of ARB to be undermined and delayed the commencement of key projects.

Capacity Risk

The uncertainty created by the delayed outcomes of the Periodic Review created significant human resource risks; however the organisation continued to successfully deliver its statutory functions. Alongside the on-going challenges that the delayed Periodic Review presented, 2015 saw an unprecedented increase in the number of new applications from architects wishing to join the Register. The increase in workload in the area of registration and other areas within the organisation created a heightened capacity and resource risk during 2015. A flexible workforce enabled the organisation to continue to deliver its statutory functions during a period of increased demand.

Legal Challenge

There continues to be a persistent risk in respect of judicial review or legal action of decisions taken by the Board, the Registrar or the Professional Conduct Committee. During 2015 an appeal was launched against a decision of the Professional Conduct Committee; the case is due to be heard in May 2016. Although legal challenges are generally expected by regulators, these legal procedures can be costly and create reputational risk. ARB will continue to learn from all challenges and periodically reviews its insurance arrangements to ensure that they are adequate and appropriate.

Performance Summary

The strategic aims of ARB are reflected through specific objectives, which are set out in the annual Business Plan. The success in delivering those objectives is judged against Key Performance Indicators (KPIs) and measurable targets.

The on-going performance of ARB against those objectives is reported twice a year to the Board, and published in an annual report early in the subsequent year.

In summary, the performance of ARB in 2015 was good. All objectives for the year were met, other than those, which had to be postponed pending the outcome of the Periodic Review. There were no areas in which performance was unacceptable. Further details can be found in the Performance Analysis below.

Performance Analysis

Measures of performance

ARB measures its performance in two ways:

- Delivery of objectives against the annual Business Plan
- Delivery of core-work against agreed Key Performance Indicators

Delivery of objectives against the Business Plan

In 2015 there were 31 objectives set out in the Business Plan. Success in the delivery of these objectives is assessed via a traffic light system. 28 of the objectives were fully delivered, while three objectives had to be deferred due to the on-going Periodic Review. There were no other partially delivered or undelivered objectives.

The full breakdown of the delivery of ARB's objectives can be seen in ARB's 2015 Report against the Business Plan, published on the organisation's website here

In summary:

28	ARB has successfully delivered the item of work to a satisfactory standard
0	ARB delivered the majority of the item, or delivered only with partial success
0	ARB has not delivered the item, or performance has been unsatisfactory
3	No outcome due to Periodic Review, so item of work undeliverable

Delivery of core-work against agreed Key Performance Indicators

The Board has set Key Performance Indicators by which the organisation has to perform in relation to its core activities. On-going performance is reported biannually both statistically and using the traffic light system.

ARB's performance has generally improved from the previous year this is notable because of the increase in workload in some areas and an unprecedented growth in the number of architects on the Register, which is higher than ever before.

There have been no areas where there is a red light – indicating that performance levels are at an unacceptable level. Where the 'green light' target has not been met, there is commentary given as to the reasons why. http://www.arb.org.uk/files/files/Board%20Feb%202016/16%20Reporting%20to%20the%20Board%20Cover%20Paper.pdf

ARCHITECTS REGISTRATION BOARD
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PERFORMANCE REPORT

Performance indicator	Target for 2015	Performance	Traffic light
Maintaining the quality of the Register			
UK route registrations-no. of days to process.	90% within 15 (working) days	**97%** (91% in 2014)	
Automatic European route registrations- no. of days to process.	90% within 15 (working) days	**82 %** (82% in 2014)	
Reinstatements & Readmissions within 2 years.	90% within 5 (working) days	**88%** (74% in 2014)	
Maintain the standard of conduct and practice of architects			
Complaints in office – No. of weeks from date of receipt to IP referral or closure.	80 % within 16 weeks	**94%** (86% in 2014)	
Complaints with IP – No. of weeks from referral of case to issue of final decision.	80 % within 12 weeks	**81%** (73% in 2014)	
PCC Reports – No. of weeks from referral to production of Board solicitor's Report.	80 % within 12 weeks	**71%** (88% in 2014)	
PCC Hearing date – No. of weeks from receipt of Board solicitor's Report to PCC hearing.	80 % within 16 weeks	**91%** (87% in 2014)	
Maintain the standard of conduct and practice of architects			
Title complaints in office – No. of weeks from date of receipt to referral to Board's solicitor or closure.	80 % within 16 weeks	**90%** (90% in 2014)	
Title complaints with Board's solicitor to conclusion–No. of weeks from date of referral to non-prosecution conclusion/ summons.	80 % within 12 weeks	**71%** (67% in 2014)	

Signed by

Karen Holmes, Registrar and Accounting Officer

13/05/2016

Corporate Governance Report

Board Report

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

Board Chair - Beatrice Fraenkel will have completed two terms of four years, being eight years in total, by 31 July 2016 when her tenure ends.

Leadership - Karen Holmes was appointed Registrar and Chief Executive with effect from 1 July 2015. Karen had been acting Register and Chief Executive since 17 February 2014.

Board Membership 2015

Peter Coe	Appointed	John Assael	Elected
Beatrice Fraenkel	Appointed	Ruth Brennan	Elected
Alan Jago	Appointed	Hans Eisner	Elected
Myra Kinghorn	Appointed	Andrew Mortimer	Elected
Ros Levenson	Appointed	Richard Parnaby	Elected
Arun Singh	Appointed (Resigned 24/8/15)	Susan Ware	Elected
Neil Watts	Appointed	Alex Wright	Elected
Nabila Zulfiqar	Appointed		

Chairs of Committees

Committee	Chair
Audit Committee	Myra Kinghorn
Investigation Oversight Committee	Nabila Zulfiqar
Prescription Committee	Alan Jago
Remuneration Committee	Alan Jago

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, http://www.arb.org.uk/board-members

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

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 March 2015 ARB submitted its Annual Security Report to the Department of Communities and Local Government. No areas of concern were identified.

ARB's processes for dealing with Freedom of Information Act requests were subject to an internal audit during 2015, and a substantial assurance rating was received.

Equality and Diversity

Following the implementation of a revised and updated Equality Scheme in 2011, the Board receives an annual progress report. The annual progress report was presented to the Board in November 2015 and in February 2016, a full breakdown of the Equality and Diversity data collected was presented to the Board. The Scheme and agreed actions have been updated to take account of the Public Sector Equality duty which ARB, as a public body, is subject to.

Many of the aims identified in the Scheme have become firmly embedded in the Board's work and in the work of ARB more generally. As a public body, ARB abides by the Public Sector Equality Duty, which requires public bodies to:

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

The Board considers all of these requirements in any decision-making process, and any equality implications are identified and taken into account before decisions are made. Awareness training was undertaken by all staff and Board members during 2015 to ensure that ARB members and staff stay abreast of our responsibilities under the Equality Act.

Environmental/Recycling

ARB is committed to reducing the impact on our environment through recycling and the organisation uses different receptacles for collecting and segregating recyclable and non-recyclable waste.

During 2015 we had saved the equivalent of 75 trees (79 in 2014) by recycling and 4,365 kilos of paper (4,645 in 2014). The volume of printing decreased during 2015 by 6.5%, the amount recycled subsequently decreased by 6%. The decrease in recycling was due to a conscious effort by ARB's staff to move services online and use electronic means of communication.

To help reduce emissions, computers are powered down when not in use, lights are turned off at night and heating is zoned and timed.

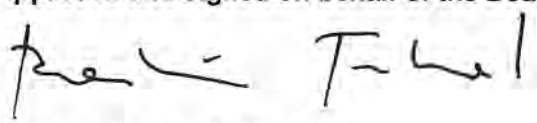
Employee involvement

The "one ARB" ethos continues to be cultivated throughout the organisation. We have developed a set of commitments, which provide a focus for each aspect of the work we do, and we continue to embed these further into our work, which is supported through all staff training events. At the end of 2015 we carried out a staff engagement survey, the outcome of which was positive such that the overall conclusion drawn from the results was that ARB had an engaged workforce.

Health and Safety

There have been no health and safety incidents reported during the year. All the statutory checks and tests have been undertaken and classified as complete.

Approved and signed on behalf of the Board



Beatrice Fraenkel (Chair)
13/05/2016

Statement of Accounting Officer's Responsibilities of the Board and the Accounting Officer in respect of the financial statements

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 financial statements for each financial year in the form and on the basis set out in the Accounts Direction issued by the DCLG. The financial statements 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 financial statements, the Accounting Officer is required to comply with the Government 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 Government 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 appointed 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.

As the appointed Accounting Officer I confirm that, as far I am aware, there is no relevant audit information of which the entity's auditors are unaware, and that I have taken all the steps to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. I also confirm that the annual report and financial statements as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and financial statements and the judgments required for determining that it is fair, balanced and understandable.

Signed by

Karen Holmes, Registrar and Accounting Officer

13/05/2016

ARCHITECTS REGISTRATION BOARD
FOR THE YEAR ENDED 31 DECEMBER 2015
ACCOUNTABILITY REPORT

Governance Statement

As Accounting Officer of the Architects Registration Board (ARB), I, Karen Holmes am responsible for the management and control of the operations of ARB and the efficient use of our resources. The Board and my colleagues within ARB support the role. This Governance Statement identifies how I discharge the responsibilities. The Statement outlines the governance of the organisation and the risk management framework, which are essential to managing and controlling ARB's resources and risks. It reflects the challenges and activities of ARB during the year and provides assurance as to performance, responses to risk and the organisation's success in managing risk. The statement also identifies where ARB will be taking steps to improve.

Corporate Governance

The Board provides the strategic leadership and oversight of ARB. As detailed earlier on page 5, the membership of the Board comprises of 15 members. Eight members are appointed (lay) members, who are appointed by the Privy Council after advice from the Secretary of State of the Department of Communities and Local Government. Seven members are elected architect members. In relation to the appointed members, ARB is invited to identify particular skills, which may be sought in making the appointments, in order to assist the Board in securing a range of skills beneficial to the operation of the Board.

Members of the Board who served during the year are shown on page 5 of the Board Report.

The Board met five times during 2015 and meets in public for the majority of the sessions. Agendas, papers and minutes were published on ARB's website in accordance with ARB's policy on open and confidential sessions of the Meetings. Details of Board member attendance at Board and Committee meetings, together with expenses and attendance allowances claimed are published annually and are reported in the Appendix to the financial statements.

The Board works in accordance with a Board Members Handbook, which includes a Board Members Code, which follows the seven principles of public life in accordance with the Nolan Principles.

Declarations of interests are collected at least annually and published on ARB's website. At all meetings, declarations are requested prior to commencement and where appropriate, members are excluded from the relevant discussions. Declarations are recorded in the minutes.

Oversight

The Board determines ARB's annual budget and ensures that the necessary resources are available to fulfil the statutory responsibilities. The Board provides oversight of the activities of ARB and sets the fees payable by architects for registration and retention of their names in the Register. Regular reviews are undertaken of ARB's management accounts throughout the year and any variances are highlighted and considered. The Board receives a report on ARB's performance against key performance indicators, together with trend information twice a year, and considers mid-year progress of the Business Plan and the delivery of the Annual Business Plan after the year-end.

At each Board meeting the Board receives an operational activity report. The report provides the Board with information on the day-to-day operational business of the organisation.

Decisions of the Board

The Board is required to take a number of decisions under statute in addition to determining policy. Statutory decisions taken during 2015 included the prescription of new qualifications in architecture

introducing the resolution of professional conduct cases by consent; and setting the retention and other fees and the re-entry to the Register. In addition, the Board took non-statutory decisions such as the Scheme of Decision Making, the Investment Strategy and the Reserves Policy and the daily allowances paid to Board members and external advisers.

ARB has a number of Committees, which assist the Board, and these are shown below. Each Committee has terms of reference, which are determined by the Board and are published on ARB's website. Each Committee reviews its own terms of reference and makes recommendations to the Board for change, with the exception of the Professional Conduct Committee, where the terms of reference are embedded within Rules. All committees report to the Board. The Professional Conduct Committee holds its hearings in public and also provides an annual report to the Board. All other Committees prepare minutes, which are passed to the Board and also produce an annual report.

Audit Committee

The purpose of the Audit Committee is to assist the Board with its oversight functions. The Committee reviews the system of internal control, the management of risks, and the financial reporting process and oversees the work of the internal and external auditors. This Committee is particularly important in assisting the Board and the Accounting Officer in managing risk.

Remuneration Committee

The purpose of the Committee is to ensure that the remuneration and reward package offered to all staff, Board members and advisers is reviewed and amended appropriately. Regular external benchmarking work is undertaken to ensure Board member attendance allowance rates and staff salaries remain in line with comparable organisations.

Investigations Oversight Committee

The Investigations Oversight Committee is in place to oversee investigations into allegations of unacceptable professional conduct and serious professional incompetence, as defined by section 14 of the Act. It monitors the performance of ARB and those appointed to investigate on its behalf, and reports back to the Board through minutes of its meetings and an annual report.

Professional Conduct Committee

Although a committee of ARB, the Professional Conduct Committee (PCC) is separate from the Board in its decision-making. A number of Board members are nominally members of the Committee; however, they take no part in cases being considered, to ensure a separation of policy making and decision making. The Professional Conduct Committee considers and determines cases referred for unacceptable professional conduct, serious professional incompetence and relevant criminal convictions. The Chair of the PCC presents a report on an annual basis and attends the relevant Board meeting.

Prescription Committee

The Prescription Committee's key role is to oversee the operation of the procedures for Prescription of Qualifications. It also considers and develops policies relating to the prescription of qualifications.

In addition, the Committee has a responsibility to oversee matters relating to ARB's Prescribed Examinations and the Competency Standards Group.

Board Effectiveness

To assist the Board in the effective discharge of its responsibilities, Board members receive a comprehensive induction programme. Board and Committee papers are provided in advance of meetings wherever possible, and contain sufficient information to allow the Board to discharge its responsibilities. During the year, the Board also sets aside development days, which allow the Board to focus on horizon scanning and strategic development. A Board appraisal system is operated, together with an external appraisal process for the Chair of the Board. In 2015, in addition to feedback provided by individual Board members and the auditors, Committees also conducted their own effectiveness review. The Board has considered the outcome of the review in February 2016 and will continue to take steps to improve Board and Committee effectiveness. The responses to the effectiveness review are published on the Board's website.

Risk Management

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 risk strategy of the organisation and sets the Scheme of Decision Making, which is in place to identify where authority for decision-making lies. The Board reviewed the Scheme of Decision Making during 2015.

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; 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, objectives and statutory responsibilities. During 2015 specific consideration was given to the risk impact of the continuing Periodic Review.

The system of internal control has been in place for the year ended 31 December 2015 and up to the date of approval of the annual report and financial statements. The system of internal control accords with Treasury guidance where it is considered to be appropriate and adds value to ARB.

Capacity to Handle Risk

The Board has overall responsibility for risk management and is aided by the Audit Committee which provides the initial review process. A fundamental aspect of risk management is obtaining 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.

Along with the management team, I am 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 encouraged to contribute. Staff are regularly briefed on the content of the Risk Register.

The Risk and Control Framework

ARB has in place a risk management strategy, which is reviewed, updated and agreed by the Board annually. The strategy specifies how ARB identifies, assesses and manages risk that 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 by taking an appropriate and proportional approach to it.

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. Staff are invited to discuss and raise risks at monthly team meetings, in order to embed a culture of risk ownership. A report is also taken to the Board at each of its meetings, as part of the Registrars' report on key risks.

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 internal audit reviews conducted by ARB's internal auditors. The Committee receives the outcome of each review and monitors the implementation of any recommendations. In 2015, the internal audit programme covered Stakeholder Engagement, Equality and Diversity, Freedom of Information, Core Financial Systems, Policies and Procedures and a Corporate Governance Review. Further work was carried out on the Business Continuity Plan.

The Committee monitors the progress of actions following reviews at each meeting and reports to the Board through its minutes and verbal updates by the Chair. In addition to the internal audit programme, the management team undertook a series of internal compliance reviews, including a compliance review of the Board's General Rules, the ARB/DCLG Framework. The management team also undertook a review of the Board's commitment to transparency.

Information and Data Security

ARB is committed to ensuring personal data held by the organisation is held securely and used appropriately and in line with the Data Protection principles. The organisation operates a range of measures to help safeguard personal and other data including:

- A commitment to data quality and accuracy
- A reviewed and updated Retention & Destruction policy
- A formal process for recording errors and omissions throughout the organisation, including procedural and data breaches. There have been no significant data breaches during 2015 that required notification to the Information Commissioner
- Data sharing agreements with those third parties with whom it is appropriate to share information
- The provision of a confidential session at each Board meeting which is for Board members only
- A "security shredding" contract with a trusted market leader
- Industry-standard encryption of data for transfer and external storage

- Regular 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 and including social media
- Physical security measures (including safe, access control systems and intruder alarm, CCTV recording equipment) both internally and at the perimeter
- Off-site vaults and storage facilities with military-grade security
- Websites operated by the Board for the collection and processing of personal data use Extended Validation (SSL) 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 is carried out annually and the testing includes the Remote Access system.

Risk Management Tools

Details of risk management tools are described in the sections above. In addition to those already mentioned, ARB also has in place:

- Appropriate insurance arrangements
- Regular review of ARB's Staff Handbook and associated appendices
- External advisers used to ensure health and safety compliance
- A log of complaints received with regard to ARB's administrative processes and decisions
- Errors log for procedures within ARB
- Board and Committee papers for new or revised policies include an assessment of risk resource and equality 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 in place and regularly reviewed
- Staff training, including fire safety and information security training
- Regular reviews of operating procedures and an ethos of continuous improvement
- Stringent budgeting process, linked to the annual Business Plan and three year forecasts
- A scheme of delegated authority, (scheme of decision making) which is regularly reviewed and agreed by the Board
- A financial procedures manual
- Internal compliance review of the Architects Act and ARB/DCLG Framework Agreement

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

Significant Risks in 2015

The key risk during 2015 was the impact the on-going Periodic Review had on ARB's ability to fulfil its statutory obligations effectively. The on-going uncertainty created the potential for the standing of ARB to be undermined, delayed the commencement of key projects and increased retention and recruitment of staff risks.

Whilst these particular risks increased during 2015 the organisation continued to successfully deliver its statutory functions. Alongside the on-going challenges the delayed Periodic Review presented, 2015 saw an unprecedented increase in the number of new applicants wishing to join the Register. The increased workload for the registration and other teams heightened the capacity and resource risk during 2015. This risk was mitigated by the flexible approach and hard work of the staff which enabled the organisation to continue to deliver its statutory functions during a period of increased demand.

There continues to be a persistent risk in respect of judicial review or legal action of decisions taken by the Board, the Registrar, or the Professional Conduct Committee. During 2015, an appeal was launched against a decision of the Professional Conduct Committee; the case is due to be heard in May 2016. Although all regulators may expect legal challenges to their decisions, such actions can be costly and increase reputational risk. ARB will continue to learn from all challenges and their outcomes and regularly reviews its insurance arrangements to ensure that they are adequate, proportionate and appropriate.

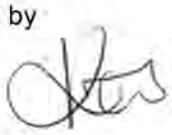
Conclusions

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review 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 both the internal and external auditors in their management letter and other reports.

Throughout the year the Audit Committee has continued to review: the management of ARB's risks, the work and outcome of the completed internal and external audits; the timing for the implementation of recommendations made by the auditors and my review of the effectiveness of the system of internal control. It was satisfied with the plan to address areas for continuous improvement identified from the work conducted throughout the year and had no significant matters to bring to the attention of the Board in its annual report.

The tools used in ARB's risk management are outlined in the risk and control framework above. I have identified no significant on-going weaknesses in the systems of internal controls and welcome the continuing programme of internal audit and ARB's commitment to continuously assess its procedures for quality, efficiency, and value for money.

Signed by



Karen Holmes, Registrar and Accounting Officer

13/05/2016

Remuneration and Staff Report

The Remuneration Committee was established in July 2009 following a review of ARB's Governance and Committee structure. The purpose of the Committee is to ensure that the remuneration and reward package offered to all staff, Board members and advisers is reviewed and amended appropriately. Regular external benchmarking work is undertaken to ensure Board member attendance allowance rates and staff salaries remain in line with comparable organisations.

The Remuneration Committee is made up of 3 Board members; Alan Jago, Soo Ware and Beatrice Fraenkel were on the Committee during 2015. Further information on attendance at these meetings can be found on page 25.

The Committee produces an annual report on their activities which is presented to the Board, this can be found at http://www.arb.org.uk/files/files/Board%20Feb%202016/18%20Remuneration%20Committee%20Annual%20Report%20Cover%20Paper.pdf

ARB runs its operations on a small staff team of 22 team members. ARB seeks to fairly remunerate employees, to motivate staff and to attract and maintain good quality staff. Staff commitment to ARB and good levels of engagement by staff helps ARB to deliver its objectives and business plan.

The composition of ARB staff and numbers at the end of the financial year was

	2015		2014	
	Male	**Female**	**Male**	**Female**
Registrar & Chief Executive	0	1	0	1
Permanent Staff	7	9	7	12
Fixed Term / Temporary	1	2	0	1
TOTAL Split	**8**	**12**	**7**	**14**
TOTAL Employees	20		21	

ARB's Policies

Our aim is to have a workforce that is truly representative of all sections of society, where each employee feels respected and able to give their best. Selection for employment, promotion, training or any other benefit will be on the basis of aptitude and ability. We help and encourage all our employees to develop their full potential, and their talents and resources are fully utilised to maximise the efficiency of the organisation

In order to achieve this, all job descriptions and person specifications are carefully drafted to ensure that the skills and knowledge reflect the job requirements and do not place unnecessary restrictions on applicants. Applicants are invited to complete an Equalities Monitoring form at the application stage, which is received separately to the application form and is not available to the short-listing panel. All applicants are invited to provide details of any disability in order that reasonable adjustments can be made for the selection process. Equality Monitoring forms are analysed and recommendations prepared for the Remuneration Committee as to steps that can be taken to further equality.

ARB continues to be supportive of staff with disabilities and appreciates the value that all employees bring to their roles. Regular one-to-one meetings and performance reviews provide the opportunity to identify the need for adjustments for disabled staff in employment as well as reviewing these adjustments to ensure they continue to be relevant. Management takes proactive steps to promote a culture that understands, accepts and supports both physical and mental disabilities in the workplace. Incorporated in the annual training plan, equalities training is one of the ways that management seeks to re-enforce diversity. HR policies and practices further support the employment of staff with disabilities. The wellbeing of disabled and able bodied staff is supported by the range of benefits offered by the organisation.

Staff training needs are identified at performance appraisal when development needs are assessed and prioritised. Training opportunities are prioritised on the basis of relevance to an individual's role and their career path. Any training or development interventions for staff with disabilities are prioritised. Opportunities for promotion are advertised internally for two weeks before a decision is made about advertising externally. All internal applicants meeting the essential criteria will be interviewed and any relevant adjustments made. All internal applicants are given feedback on the selection process and any development needs incorporated into personal development plans.

Remuneration

The Committee, annually benchmarks rates of pay awards given by our competitors as well as looking at employment market trends. The Committee also give consideration to Governments expectations on public sector pay awards. The pay award given to all staff and the Chief Executive for 2015 was 1%, which was in line with Government expectations. The Committee can also make non-consolidated incentive payments to staff, this is dependent on delivery of the Business Plan and a decision is taken each year. During 2015, there were no changes to ARB's remuneration policy.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid employee in their organisation and the median remuneration of the organisation's workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payment or employer pension contributions.

The mid-banded remuneration of the highest paid employee of ARB in the financial year end 2015 was £117,500 (2014, £107,500). This was 3.17 times (2014 2.96 times) the median remuneration of the workforce, which was £37,033 (2014, £36,319).

Note 6 of the Financial Statements notes provides details of the highest paid members of staff and the contributions paid by ARB into their DC pension fund during 2015.

Staff Turnover

Staff turnover for 2015 was 10% (22.7% 2014); the figure for ARB staff turnover is higher than the national average across all sectors; however with such a low number of staff, any departures and recruitment will have a significant statistical impact.

Staff Absence Information

There were 180 sickness days in 2015 (equivalent of 9 days per employee) (14.4 in 2014). This was due to a member of staff being on long term sickness. Excluding the long term sickness, sickness was only 69 days in 2015 (equivalent of 3.5 days per employee) (2.2 days per employee for 2014).

Staff Pension Arrangements

ARB 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 (Paid Up) Occupational Money Purchase scheme (which is also a defined contribution arrangement), but there are no contributions being made to this scheme and nor have there been for several years. There are no liabilities for future contributions to this scheme.

Note 6 of the Financial Statements notes provides details of the highest paid members of staff and the contributions paid by ARB into the Group Personal Pension Scheme during 2015.

Professional and Specialist Services

The Board often needs day-to-day specialist advice, such as for the interpretation of EU law, employment advice, IT, Insurance and legal challenges. Due to the broad ranging spectrum of advice required and to use our resources as efficiently as possible, we procure such services from a small number of suppliers as and when required. Further information on this spend can be found under note 10 of the Financial Statements.

Board Remuneration Report

The Remuneration Committee, each year, considers the remuneration of Board members, panel members and advisers, including travel and subsistence payments on an annual basis. The Board, based on a recommendation from the Remuneration Committee, takes the final decision.

Board members received an attendance allowance of £250 (held since July 2010) per day for attending Board meetings and participating in other Board business and Committees.

The total attendance allowances paid during 2015 were £52,395 (2014: £63,950), 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 £14,251 (2014: £16,641) were claimed during the year.

There were five Board meetings held during 2015. The average attendance at each meeting was 13.2 Board members. On average, Board members spent 14.5 days on Board and Committee business.

Further details can be found on page 25 of this report.

A summary of Board and Committee attendance allowance and expenses paid in 2015:

Amount	Number of Board Members
Less than £1k	1
£1k less than £6k	10
£6k less than £10k	3
£10k less than £15k	1

Signed by:

Karen Holmes, Registrar and Accounting Officer

13/05/2016

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

We have audited the financial statements of the Architects Registration Board for the year ended 31 December 2015 set out pages 18 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and the 2015/16 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 Board 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 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 Architects Registration Board's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with the Government Financial Reporting Manual (FReM).

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

23/5/16

ARCHITECTS REGISTRATION BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	£	2015 £	2014 £
OPERATING INCOME				
Registration and retention fees	3	**4,051,035**		*3,832,892*
Prescribed examinations		**248,602**		*174,000*
Penalties and sundry receipts	4	**37,898**		*50,493*
Investment income	5	**79,925**		*54,132*
Total operating income		**4,417,460**		*4,111,517*
EXPENDITURE				
Employee salaries and benefits	6	**1,223,276**		*1,269,057*
Office costs	7	**474,943**		*441,645*
		1,698,219		*1,710,702*
Printing and records	8	**52,860**		*52,686*
IT charges	9	**309,734**		*282,519*
Board allowances and expenses		**53,853**		*61,960*
Legal and other professional charges	10	**953,549**		*922,194*
Other administrative expenses	11	**304,182**		*261,998*
Total operating expenditure		**1,674,178**		*1,581,357*
			3,372,397	*3,292,059*
OPERATIONAL SURPLUS FOR THE YEAR			**1,045,063**	*819,458*
Net (losses) / gains on investments			**(100,457)**	*194,350*
SURPLUS FOR THE YEAR BEFORE TAXATION			**944,606**	*1,013,808*
Taxation	19		**31,736**	*(54,296)*
RETAINED SURPLUS FOR THE YEAR			**976,342**	*959,512*
RESERVES AT THE START OF THE YEAR			**2,924,697**	*1,965,185*
RESERVES AT THE END OF THE YEAR			**3,901,039**	*2,924,697*

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 2015

	Notes	2015 £	2014 £
NON-CURRENT ASSETS			
Property, plant and equipment	12	**209,493**	*232,783*
Intangible assets	13	**126,638**	*151,381*
Investments	14	**4,137,901**	*3,199,016*
Total non-current assets		**4,474,032**	*3,583,180*
CURRENT ASSETS			
Trade and other receivables	15	**185,149**	*152,668*
Cash and cash equivalents		**3,198,764**	*2,921,222*
Total current assets		**3,383,913**	*3,073,890*
TOTAL ASSETS		**7,857,945**	*6,657,070*
CURRENT LIABILITIES			
Trade and other payables	16	**308,658**	*328,277*
Deferred income		**3,648,248**	*3,404,096*
Total current liabilities		**3,956,906**	*3,732,373*
ASSETS LESS LIABILITIES		**3,901,039**	*2,924,697*
RESERVES			
Designated reserve		**114,000**	*90,000*
Operational reserve		**3,654,047**	*2,605,641*
Revaluation reserve		**132,992**	*229,056*
TOTAL RESERVES		**3,901,039**	*2,924,697*

These financial statements were approved by the Board and Accounting Officer and authorised for issue on 13/5/16

Board member

Board member

Accounting officer

ARCHITECTS REGISTRATION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	£	2015 £	*2014* *£*
CASH FLOWS FROM OPERATING ACTIVITIES			
Operational surplus for the year		**1,045,063**	*819,458*
Adjustments for non-cash transactions			
Depreciation and amortisation	**180,084**		*167,152*
Changes in operating assets and liabilities			
Increase in trade and other receivables	**(32,481)**		*5,396*
(Increase) in trade, other payables and deferred income	**224,533**		*195,097*
Net cash from operating activities	**372,135**		*367,645*
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Proceeds from the sale of investments	**1,613,039**		*1,301,615*
Purchase of investments	**(2,652,381)**		*(1,975,449)*
Purchases of property, plant and equipment and intangible assets	**(132,051)**		*(118,189)*
Net cash decreases from investing activities	**(1,171,393)**		*(792,023)*
Taxation		**31,736**	*(54,296)*
Net increase in cash and cash equivalents		**277,542**	*340,784*
Cash and cash equivalents at the start of the year		**2,921,222**	*2,580,438*
Cash and cash equivalents at the end of the year		**3,198,764**	*2,921,222*

All cash is represented by cash in hand

ARCHITECTS REGISTRATION BOARD
STATEMENT OF CHANGES IN RESERVES
AT 31 DECEMBER 2015

	Designated Reserve £	Operational Reserve £	Revaluation Reserve £	**Total Reserves £**
Balance at 1 January 2014	66,000	1,861,964	37,221	**1,965,185**
Movement for the year	-	767,677	191,835	**959,512**
Transfer between reserves	24,000	(24,000)	-	-
Balance at 31 December 2014	90,000	2,605,641	229,056	**2,924,697**
Movement for the year		1,072,406	(96,064)	**976,342**
Transfer between reserves	24,000	(24,000)	-	-
Balance at 31 December 2015	114,000	3,654,047	132,992	**3,901,039**

At 31 December 2015, designated reserves represented the IT renewal fund (£35,000 - to cover the cost of ensuring that the organisation's computer systems remain up to date and efficient), the Election Fund (£45,000 – set up to cover the cost of the triennial election of ARB Board) and the Maintenance Reserve (£34,000 – set up to cover the regular cost of redecoration of the offices in accordance with the terms of the lease).

At the 31 December 2015, the revaluation reserve represented the closing market value less historic cost value of ARBs investments (accumulated unrealised gains).

ARCHITECTS REGISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

The Architects Registration Board is incorporated under the Architects Act 1997. ARB's principal address is shown on page 1. ARB's principal activity is acting as the statutory regulator for architects in the UK. The ARB is an arms-length body overseen by the Department for Communities and Local Government (DCLG).

2. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury.

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 the ARB are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of investments. Figures are presented in pounds sterling, which is the functional currency of the ARB and rounded to the nearest pound. Transactions denominated in foreign currencies are translated into sterling at the exchange rate at the dates of the transactions.

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) Impending application of newly issued accounting standards not yet effective

The ARB discloses wherever it has not yet applied a new accounting standard, and provides any information relevant to assessing the possible impact that the initial application of the new standard would have on the financial statements. There were no new standards issued at the date of reporting that are required to be applied by the ARB.

c) Staff costs

In accordance with IAS 19 Employee Benefits, all short-term staff costs payable at the year-end, which will be paid within one year from the date of reporting, are recognised in the Statement of Comprehensive Net Expenditure.

d) Pensions

The ARB operates a defined contribution pension scheme where the ARB pays established annual contribution rates into a separate fund. The amount of pension benefit that a member receives in retirement is dependent on the performance of the fund. The ARB recognises the cost of these contributions in the Statement of Comprehensive Income when they fall due. There are no further payment obligations for the ARB once the contributions have been paid.

e) Leases

Payments in relation to operating leases (excluding costs for services such as insurance and maintenance) are charged to the Statement of Comprehensive Income on a straight-line basis.

f) **Value Added Tax on purchases**
The ARB is unable to recover the VAT it pays on its expenditure due to the VAT status of its suppliers. Therefore, all expenditure disclosed in the financial statements includes any VAT paid.

g) **Income**
Income is recognised to the extent that it is probable that the economic benefits will flow to 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 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, penalties and prescribed examination fees are recognised in the year in which the registration or prescribed examination takes place or that the penalty becomes due. Income from investments and cash is recognised in the period in which the ARB becomes entitled to the income.

h) **Corporation tax**
The ARB is liable for tax on income earned and gains on investments during the year. The tax expense is recognised in the Statement of Comprehensive Income.

i) **Plant, equipment and intangible assets**
Expenditure of £500 or more on plant and equipment or intangible assets is capitalised where it is expected to bring benefit over future years. On initial recognition, assets are measured at cost and include all costs directly attributable to bringing them into working condition.

All non-current assets are reviewed annually for impairment. Plant and equipment is depreciated, and intangible assets amortised from the time the item comes into operational use, at rates calculated to write them down to the estimated residual value on a straight-line basis over their estimated useful lives. The following annual rates are used:

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

j) **Cash and cash equivalents**
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturity dates of three months or less,

k) **Investments**
Investments comprise holdings of a number of Gilts (UK Sovereign debt), Corporate Bonds and Equity funds managed by separate investment managers. 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 Statement of Comprehensive Income.

l) **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.

3. REVENUE - REGISTRATION AND RETENTION FEES

	2015	2014
	£	£
Registration fees	**145,966**	*134,940*
Retention fees	**3,905,069**	*3,697,952*
	4,051,035	*3,832,892*

4. REVENUE - PENALTIES AND SUNDRY RECEIPTS

	2015	2014
	£	£
Penalties paid on reinstatement to the Register	**29,752**	45,739
Sundry receipts	**8,146**	4,754
	37,898	50,493

5. INVESTMENT INCOME

Income from investment portfolio	**71,845**	*51,470*
Interest on bank deposits	**8,080**	*2,662*
	79,925	*54,132*

6. STAFF COSTS

Wages and salaries	**899,229**	*974,714*
Social security	**105,297**	*109,277*
Other pension costs	**93,595**	*99,798*
Medical and permanent health insurance	**32,107**	*37,130*
Recruitment costs	**8,273**	*10,966*
Staff training	**20,925**	*15,537*
Temporary staff	**63,850**	*21,635*
	1,223,276	*1,269,057*

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

Salaries in respect of those employees paid over £62k within the following ranges:

	No.	No.
£70,000 - £74,999	**-**	*1*
£75,000 - £79,999	**2**	*1*
£105,000 - £109,999	**-**	*1*
£115,000 - £119,999	**1**	-

Payments were made into defined contribution pension schemes totalling £31,556 (2014: £30,067) in respect of these employees.

7. OFFICE COSTS

	2015 £	2014 £
Rent & Service Charges	**163,597**	*130,102*
Rates	**97,658**	*103,345*
Building related costs	**56,044**	*55,456*
Insurance	**6,170**	*6,367*
Electricity	**18,572**	*15,077*
Office cleaning	**24,706**	*24,249*
Postage and telephone	**43,707**	*41,529*
Maintenance of office equipment	**10,853**	*11,368*
Depreciation: leasehold improvements	**51,733**	*51,733*
Depreciation: furniture and equipment	**1,903**	*2,419*
	474,943	*441,645*

8. PRINTING AND RECORDS

Printing	**44,022**	*42,524*
Stationery	**6,560**	*5,301*
Journals and newspapers	**2,278**	*4,861*
	52,860	*52,686*

9. IT CHARGES

Depreciation and amortisation: IT equipment and development	**126,448**	*113,000*
IT costs	**183,286**	*169,519*
	309,734	*282,519*

10. LEGAL AND OTHER PROFESSIONAL CHARGES

Remuneration to external auditors:		
External audit services	**18,720**	*18,360*
Other services - corporation tax compliance advice	**1,230**	*1,200*
- employment tax advice	**786**	*633*
Legal expenses and professional charges – regulation	**682,652**	*687,192*
General legal, specialist advice and insurance	**250,161**	*214,809*
	953,549	*922,194*

Remuneration to external auditors shown above is inclusive of VAT. Excluding VAT external audit fees were £15,600, fees for corporation tax compliance were £1,025 and fees for employment tax compliance advice were £655.

11. OTHER ADMINISTRATION EXPENSES

	2015 £	2014 £
Bank charges	**53,174**	*39,989*
Staff travel expenses	**13,936**	*24,822*
Prescribed examination	**112,537**	*89,978*
Prescription & Qualifications	**48,952**	*38,366*
ACE	**33,549**	*35,385*
Public and professional awareness	**33,405**	*29,213*
Sundry expenditure	**8,629**	*4,245*
	304,182	*261,998*

12. PLANT AND EQUIPMENT

	Leasehold improvements £	Office furniture & equipment £	IT equipment £	Total £
Cost				
At 1 January 2015	517,325	109,421	214,322	841,068
Additions	-	-	64,971	64,971
Disposals	-	-	(28,473)	(28,473)
At 31 December 2015	517,325	109,421	250,820	877,566
Accumulated depreciation				
At 1 January 2015	310,395	103,756	194,134	608,285
Charge for the year	51,733	1,903	34,625	88,261
Disposals	-	-	(28,473)	(28,473)
At 31 December 2015	362,128	105,659	200,286	668,073
Carrying amount				
At 31 December 2015	**155,197**	**3,762**	**50,534**	**209,493**
At 31 December 2014	*206,930*	*5,665*	*20,188*	*232,783*

13. INTANGIBLE ASSETS

	Total £
Cost	
At 1 January 2015	354,360
Additions	67,080
At 31 December 2015	**421,440**
Accumulated depreciation	
At 1 January 2015	202,979
Charge for the year	91,823
At 31 December 2015	**294,802**
Carrying amount	
At 31 December 2015	**126,638**
At 31 December 2014	*151,381*

14. INVESTMENTS

	2015	2014
	£	£
At market value		
At start of year	**3,199,016**	*2,330,832*
Additions	**2,652,381**	*1,975,449*
Disposal proceeds	**(1,613,039)**	*(1,301,615)*
Net gains on investments	**(100,457)**	*194,350*
At end of year	**4,137,901**	*3,199,016*
Cost at end of year	**4,004,910**	*2,969,964*

All investments are managed by Quilter Cheviot and are invested in a mixture of Gilts (UK Sovereign debt), Corporate Bonds and Equity funds.

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	£	£
Other receivables	**25,616**	*32,207*
Prepayments	**141,058**	*120,461*
Corporation Tax	**18,475**	-
	185,149	*152,668*

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

16. TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Trade payables	**48,719**	*80,045*
Corporation tax	**-**	*28,293*
Other taxation and social security	**58,913**	*51,735*
Accruals	**201,026**	*168,204*
	308,658	*328,277*

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

17. PENSIONS

The Staff Pension Scheme is a defined contribution scheme. The cost of contributions during the period was £ 93,595 (2014: £99,798). 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 making the following minimum annual payments under operating leases, which expire:

	Land and buildings	
	2015	*2014*
	£	£
Between one and five years	**1,260,743**	-
In more than five years	**-**	*480,271*

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, which become payable on 24 December 2014.

19. TAX EXPENSE

ARB is a mutual trading organisation and is therefore taxed only on outside sources of income. Historically this has been investment income and gains. Corporation tax was calculated at 20% of investment income and gains on investments during the period.

20. 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 2015 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.

21. BOARD REMUNERATION AND EXPENSES

Board members received an attendance allowance of £250 (held since July 2010) per day for attending Board meetings and participating in other Board business and committees.

The total attendance allowances paid during 2015 were £52,395 (2014: £63,950) 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 £14,251 (2014: £16,641) were claimed during the year.

22. CURRENCY RISK

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

23. LIQUIDITY AND CREDIT RISK

ARB aims to maintain a minimum of 4 months operating costs as a reserve and reserves during the year to 31 December 2015 were in excess of this level. As stated above, the majority of ARB's income is received at the start or before the start of the financial year. ARB has no borrowings (or legal right to borrow) and monies required for short-term working capital requirements are held in accounts with no significant restrictions on access. ARB does not consider that there is a significant exposure to liquidity or credit risk.

24. INTEREST RATE RISK

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

Funds not required for short-term working capital are held in Gilts (UK Sovereign debt), Corporate Bonds and Equity funds. The return for the last year is attached at 0.2% versus the benchmarks -0.2%. This is not a great return for last year, but the ARB did not lose money, which is the Boards real concern.

Business reserve - There is a sweeping system in operation from 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 ARB bankers.

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

25. RESERVES

The Board's reserves policy is to:

- Hold a minimum of the estimated wind-up costs, assessed annually. When calculating this figure, unrealised profit on investments will be included in the calculation
- The operating reserves fund should not drop below 4 months operating costs

At the end of the 2015 financial year, the level of reserves was sufficient to cover the estimated wind up costs, as required by the framework agreement with the DCLG. The Board reviewed its policy in September 2015, with the next review planned for quarter 3 of 2017.

ARCHITECTS REGISTRATION BOARD
YEAR ENDED 31 DECEMBER 2015
BOARD ALLOWANCES AND EXPENSES

Board Members Expenses and Meeting Attendance

Board Members Expenses

Board Member	Attendance Allowance	Reading	Train/Tube	Air	Car	Taxi	Other	Hotel	Subsistance	Total
	£	£	£	£	£	£	£	£	£	£
John Assael	625.00									625.00
Ruth Brennan	2,000.00		716.40		63.00			180.00	16.47	2,975.87
Peter Coe	3,500.00	1,000.00	45.75							4,545.75
Hans Elsner	1,750.00		772.35			165.10		1,470.00	187.60	4,345.05
Beatrice Fraenkel	6,800.00		2,500.50		203.00	312.90		360.00	218.90	10,395.30
Alan Jago	6,250.00	750.00	332.45					180.00		7,512.45
Myra Kinghorn	2,000.00		31.35							2,031.35
Ros Levenson	2,375.00				79.95	33.00		180.00		2,667.95
Andrew Mortimer	2,025.00		76.10							2,101.10
Richard Parnaby	3,070.00	1,875.00	989.30					180.00		6,114.30
Arun Singh	1,250.00		25.60							1,275.60
Susan Ware	3,375.00									3,375.00
Neil Watts	3,750.00	4,000.00	697.80		135.80			270.01		8,853.61
Alex Wright	3,750.00		1,775.30			15.00		180.00	189.64	5,909.94
Nabila Zulfiqar	2,250.00		1,177.45		73.00			354.00	63.60	3,918.05
Total	44,770.00	7,625.00	9,140.35	-	554.75	526.00	-	3,354.01	676.21	66,646.32

Meetings Attended by Board Members in 2015

Board Member	Board Meetings	Additional Board Days	Prescription Committee	Remuneration Committee	Audit Committee	Investigations Oversight Committee	Other Meetings/ Attendance	Total Meetings Attended
John Assael	(5) 4	(1) 1	(10) 6				0	11
Ruth Brennan	(5) 4	(1) 1			(3) 2		1	8
Peter Coe (Board delegate on European issues)	(5) 5	(1) 0	(10) 8				2	15
Hans Elsner	(5) 5	(1) 1					3	9
Beatrice Fraenkel (Chair)	(5) 5	(1) 1		(3) 3			21	29
Alan Jago	(5) 5	(1) 1	(10) 10	(3) 3			7	25
Myra Kinghorn	(5) 4	(1) 1			(3) 3		4	12
Ros Levenson	(5) 5	(1) 1			(3) 3	(2) 2	3	14
Andrew Mortimer	(5)5	(1) 1			(3) 3		1	10
Richard Parnaby	(5) 3	(1) 1	(10) 8				3	15
*Arun Singh	(3) 2	(0) 0				(2) 2	1	5
Soo Ware	(5) 4	(1) 0	(10) 8	(3) 2			1	14
Neil Watts	(5) 5	(1) 1	(10) 8				4	18
Alex Wright	(5) 5	(1) 1				(4) 4	5	15
Nabila Zulfiqar	(5) 5	(1) 1				(4) 4	3	13

Please note that more than one meeting may occur during a day, in which case the amount charged will not reflect the number of meetings.
Please note that some members do not charge the full daily rate for meetings.
*Please also note that Arun Singh resigned from the Board in August 2015. As such the membership of the IOC changed during the year, with Ros Levenson joining the IOC following Arun Singh's departure.