

REGISTERED COMPANY NUMBER: 05608022 (England and Wales)
REGISTERED CHARITY NUMBER: 1112621

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009
FOR
ARTICLE 25**

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ARTICLE 25

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FOR THE YEAR ENDED 31 MAY 2009**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2009

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05608022 (England and Wales)

Registered Charity number

1112621

Registered office

13-19 Curtain Road
London
EC2A 3LU

Trustees

J Brown Pringle	Architect	
S McColl	Architect	
P Murray	Architect	
Lord Foster of Thames Bank	Director	
Sunand Prasad	Director	
Dr J Giordano	Director	- appointed 2.9.2008
R G Cross	Architect	- appointed 2.6.2009
M Starling	Architect	- appointed 15.1.2009 - resigned 24.3.2009

Company Secretary

Dr V Harris

Directors

J B Pringle
Dr V Harris
R G Cross - appointed 2.6.2009

Chief Executive Officer

Dr V Harris

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Memorandum of Association and the Articles of Association are the charity's governing document.

Recruitment and appointment of new trustees

Trustees are nominated by the senior management team, directors or Trustees and appointed by the existing Trustees as considered necessary by them. Only those Trustees noted as directors are directors of the charitable company.

Dr Victoria Harris is Company Secretary and also a Director of the charitable company.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Article 25 was founded under the name Architects for Aid (Article 25) and was set up to provide better shelter and housing for those in need and to support and work with partner NGOs providing built solutions wherever there is disaster, poverty or need. Article 25 aims to promote dignified, adequate shelter as a human right and is named after the 25th Article of the Universal Declaration of human Rights which is the only article of the declaration relating to the built environment.

Related parties

Article 25 works with international and local NGOs, charities and aid agencies. We deploy architectural and built environment expertise in the field wherever there is poverty or need. We provide educational courses to architecture firms and individuals in the UK under our accredited Continuing Professional Development (CPD) programme to bring the issues and work surrounding Article 25 to the attention of the architectural and built environment professions. We work directly with academic and professional collaborators on research relating to shelter and reconstruction for development disaster relief. This business area is managed by Emily Reilly who heads the Education and Communications Department. This department was formed under a grant from the Department for International Development.

We also liaise in our work with international or governmental organisations such as UN departments, relevant government departments in country, and the International federation of the Red Cross and Red Crescent Societies.

Risk management

Article 25 has public liability and professional indemnity insurance to offset any risk incurred in the course of conducting our business at home and overseas. Article 25 has NGO appropriate insurance for personnel for individuals in the field. Our legal advisors have assessed that we have, through the training and documentation we use, achieved effective limitation for our liability regarding risks in sending participants on overseas projects and that they have sufficient information to meet standards of informed consent to participate as staff or volunteers for Article 25. Article 25 staff and volunteers working overseas or in the UK (as appropriate) are required to sign waivers of liability for any activities they may undertake that are undertaken outside the scope of their Article 25 remit and to indemnify Article 25 against any liability incurred by them in such a situation. They are also required to state in writing that they are travelling with sufficient information and have taken necessary steps to ensure they have complied with vaccination requirements and immigration laws and requirements, amongst other contingencies. Taking these measures into account, our legal advisers concurred that we are providing adequate information to staff and volunteers to comply with conditions of their providing informed consent.

Article 25 is inherently exposed to some financial and operational risks in the course of conducting business; the trustees understand these and the chief executive has overseen appropriate steps to cope with these risks to best ensure the future success of the charity through such adversity. This includes, but is not limited to, ensuring that the charity has the advice of expert legal and accounting advisers when administering its charitable activities.

The charity also works closely with the Charities Commission and local and international bodies (for example the High Commission or Embassy departments appropriate) when undertaking the management of work overseas and dealing with any issues of controversy or potential controversy when working alone, or with any collaborating entity. Article 25 operates a current child protection policy. Article 25's practical and logistical risk management systems in place include the work redundancy and data backup systems within the management and office administration our physical office address at 13 Curtain Road EC2A 3LU.

Under our overseas personnel policies for personnel related risk management, our volunteers and staff have undergone hostile environment and first aid briefings prior to going abroad, where appropriate. All travel under an Article 25 insurance policy, specifically provided for NGO workers, all are briefed on the pertinent local and social issues, and are instructed to carry emergency contact details, communication devices and information at all times. Various other steps are and have been taken to appropriately minimise and manage relative risk to Article 25 including conferring with UN-OCHA and the Foreign and Commonwealth Offices of the locations being visited by personnel and to the organisation itself.

ARTICLE 25

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2009

OBJECTIVES AND ACTIVITIES

Objectives and aims

Article 25 is rarely a direct funder of the capital projects we work on - our fundraising concentrates therefore on funding the technical skill-base that we deploy for the benefit of such projects.

Article 25's new strategic objectives include maintaining a database of humanitarian built environment professionals who can work on and contribute to our projects worldwide; training and enhancing the skills of specific volunteers who work in house to the organisation at the London office and overseas on projects with a view to retaining them as paid staff under full cost recovery funding of projects or core funding as necessary. A front end to the "Built Environment Action Register" or "Bear" was successfully launched in 2007 and currently has more than 650 members.

We are working with the new award of DFID (UKAID) funding of £300,000 over three years to create further accredited CPD courses and lectures on humanitarian built environment issues and establish a programme of Student Chapters in UK Universities.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Article 25 aims to ensure that its work is directed at well monitored and is on internationally recognised projects and with internationally approved methods where available. Projects are scrutinised before approval in the same way any donor agency would assess a donation or funding. Issues such as land title security and the financial viability of the ongoing project are considered and the legal status of the partner NGO and their ability to act as a client.

FINANCIAL REVIEW

Financial Review

The trustees remain pleased with the financial development and positive growth of the charity over a difficult period for the global economy. Staff numbers have increased to 7 paid full time staff and 20 full time volunteers in total. A new office has been opened at 13 Curtain Road, London EC2A 3LU. Moreover, the trustees remain pleased with the charity's management regarding overall fiscal accountability and transparency. The charity aims to set a sustainable reserves policy once the scope and level of its activities has become more settled into 2010.

FUTURE DEVELOPMENTS

Due to poorer than anticipated fundraising performance in the first quarter of 2009 the organisation was forced to make a difficult but swift reassertion of the fundraising strategy after a change of personnel. A new staff investment and an investment in training and expansion of the existing team was made to achieve this target over this financial year is already complete; and at the time of writing the fundraising function has successfully achieved a major increase in funding flows for Article 25 and, we anticipate, will continue to do so into the economic upturn.

Article 25 plans to continue to develop strategic alliances with large NGOs in 2008/9 and to focus on acquiring new contract business on a not for profit, full cost recovery model headed by Robin Cross who is responsible for spearheading this revenue and business growth. Relationships with other organisations established both in the field and at an organisational level will continue to thrive.

To ensure institutional knowledge retention, Article 25 intends to fund 3 new members of staff who are currently volunteers so that we do not lose lessons learned and benefit from the experience they have gained and retain it within the organisation. This will better serve our beneficiary groups and partner NGOs.

During 2010, Article 25 will further consolidate its growth to date and institutionalise the considerable knowledge and experience gained in the past year through 3 new permanent appointments. This will ensure the most professional and proficient delivery of our projects.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2009**

ON BEHALF OF THE BOARD :

Chief Executive Officer
Dr V Harris - Secretary

22 December 2009

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**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2009**

	Notes	2009 Unrestricted funds £	2008 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		168,688	180,765
Activities for generating funds	2	18,107	35,950
Investment income	3	624	633
Incoming resources from charitable activities			
Mission		4,226	-
Total incoming resources		191,645	217,348
RESOURCES EXPENDED			
Costs of generating funds			
Costs of generating voluntary income		83,823	95,722
Fundraising trading: cost of goods sold and other costs		1,827	4,626
		85,650	100,348
Net incoming/(outgoing) resources available for charitable application		105,995	117,000
Charitable activities			
Mission		146,023	122,185
Governance costs		2,778	(2,483)
Total resources expended		234,451	220,050
NET INCOME/(EXPENDITURE) FOR THE YEAR		(42,806)	(2,702)
RECONCILIATION OF FUNDS			
Total funds brought forward		70,524	73,226
TOTAL FUNDS CARRIED FORWARD		27,718	70,524

The notes form part of these financial statements

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BALANCE SHEET
AT 31 MAY 2009

	Notes	2009 Unrestricted funds £	2008 Total funds £
FIXED ASSETS			
Tangible assets	7	6,132	6,485
CURRENT ASSETS			
Debtors	8	-	2,984
Cash at bank and in hand		23,526	65,316
		23,526	68,300
CREDITORS			
Amounts falling due within one year	9	(1,940)	(4,261)
NET CURRENT ASSETS		21,586	64,039
TOTAL ASSETS LESS CURRENT LIABILITIES		27,718	70,524
NET ASSETS		27,718	70,524
FUNDS			
Unrestricted funds	10	27,718	70,524
TOTAL FUNDS		27,718	70,524

The notes form part of these financial statements

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**BALANCE SHEET - CONTINUED
AT 31 MAY 2009**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2009.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 May 2009 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 22 December 2009 and were signed on its behalf by:

M Hutchinson -Trustee

The notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice, Accounting and Reporting Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs relate to compliance with constitutional and statutory requirements of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Funds held by the charity are unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Volunteers and donated services and facilities

The value of services provided by volunteers are not incorporated into these financial statements.

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Donated services and facilities are analysed in note 13.

2. ACTIVITIES FOR GENERATING FUNDS

	2009	2008
	£	£
Fundraising events	18,107	29,596
Sponsorships	-	6,354
	<u>18,107</u>	<u>35,950</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2009

3. INVESTMENT INCOME

	2009	2008
	£	£
Deposit account interest	<u>624</u>	<u>633</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2009	2008
	£	£
Depreciation - owned assets	<u>1,725</u>	<u>2,163</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 May 2009 nor for the year ended 31 May 2008.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 May 2009 nor for the year ended 31 May 2008.

6. STAFF COSTS

	2009	2008
	£	£
Wages and salaries	97,139	80,673
Social security costs	9,894	8,585
	<u>107,033</u>	<u>89,258</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2009

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 June 2008	9,968
Additions	1,372
At 31 May 2009	<u>11,340</u>
DEPRECIATION	
At 1 June 2008	3,483
Charge for year	1,725
At 31 May 2009	<u>5,208</u>
NET BOOK VALUE	
At 31 May 2009	<u>6,132</u>
At 31 May 2008	<u>6,485</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Other debtors	-	2,984
	<u>-</u>	<u>2,984</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	-	(1)
Taxation and social security	759	3,333
Other creditors	1,181	929
	<u>1,940</u>	<u>4,261</u>

10. MOVEMENT IN FUNDS

	At 1.6.08 £	Net movement in funds £	At 31.5.09 £
Unrestricted funds			
General fund	70,524	(42,806)	27,718
TOTAL FUNDS	<u>70,524</u>	<u>(42,806)</u>	<u>27,718</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2009**

10. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	191,645	(234,451)	(42,806)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	191,645	(234,451)	(42,806)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11. RELATED PARTY DISCLOSURES

There were no related party transactions in the year, nor were any monies owing to or from any related party at the year ended 31 March 2009 nor as at 31 March 2008.

12. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its trustees.

13. DONATED FACILITIES AND SERVICES

	2009 £	2008 £
Office space	-	16,200
Project fees - Consultant Engineer	-	2,500
Printing	-	1,000
Exhibition costs	-	2,745
Fundraising expenses	-	2,720
Computers, chairs & magnetic boards	4,000	-
Advertising and Logo design	30,000	8,500
Sundry mission expenses	-	470
	<hr/>	<hr/>
	34,000	34,135

The income equivalent of the above services and facilities were recognised within incoming resources as a donation, and an equivalent charge included within resources expended.

Lord Foster donated 65 Sierra Leone prints at £200 each for the Presidents dinner and various gifts were donated to be auctioned which have not been included with incoming resources/ resources expended.

14. EMPLOYEES

There were four employees during the period. No employee was paid more than £60,000 per annum.

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2009**

	2009 £	2008 £
INCOMING RESOURCES		
Voluntary income		
Donations	162,766	180,479
Gift aid	5,922	286
	<u>168,688</u>	<u>180,765</u>
Activities for generating funds		
Fundraising events	18,107	29,596
Sponsorships	-	6,354
	<u>18,107</u>	<u>35,950</u>
Investment income		
Deposit account interest	624	633
Incoming resources from charitable activities		
CPD	4,226	-
	<u>4,226</u>	<u>-</u>
Total incoming resources	191,645	217,348
RESOURCES EXPENDED		
Costs of generating voluntary income		
Wages	66,588	80,673
Social security	6,946	8,585
Insurance	7,650	-
Telephone	-	331
Postage and stationery	-	1,667
Sundries	2,042	29
Travel	597	4,185
Entertaining	-	252
	<u>83,823</u>	<u>95,722</u>
Fundraising trading: cost of goods sold and other costs		
Promotion	1,827	4,626
Charitable activities		
Wages	30,551	-
Social security	2,948	-
Rent, rates and water	24,681	35,000
Insurance	3,866	3,503
Travel	1,439	-
Telephone	2,699	331
Carried forward	66,184	38,834

This page does not form part of the statutory financial statements

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2009**

	2009 £	2008 £
Charitable activities		
Brought forward	66,184	38,834
Postage and stationery	5,672	2,667
Advertising	30,000	11,245
Sundries	2,857	5,070
Consultancy fees -engineers	-	2,500
Volunteer travel expenses	6,840	12,063
Training & volunteers stipend	455	8,457
Foreign travel expenses	12,001	15,312
UK Travel expenses	161	2,274
Visas, vaccinations & medical	271	660
Accommodation & subsistence	349	4,221
Project sponsorship	-	6,486
General materials etc	8,734	1,939
	<u>133,524</u>	<u>111,728</u>
Governance costs		
Accountancy	2,778	(2,533)
Legal fees	-	50
	<u>2,778</u>	<u>(2,483)</u>
Support costs		
Management		
Light and heat	1,213	-
Staff welfare	20	400
IT and computer consumables	9,400	7,782
Depreciation of tangible and heritage assets	1,725	2,163
	<u>12,358</u>	<u>10,345</u>
Finance		
Bank charges	141	112
Total resources expended	<u>234,451</u>	<u>220,050</u>
Net expenditure	<u><u>(42,806)</u></u>	<u><u>(2,702)</u></u>

This page does not form part of the statutory financial statements