

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 2010
FOR ARTICLE 25**

**WILKINS •
•KENNEDY**
CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

ARTICLE 25

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FOR THE YEAR ENDED 31 MAY 2010

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ARTICLE 25

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2010

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 2010. 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 B Pringle
S McColl (Resigned 31 August 2009)
P Murray
Lord Foster of Thames Bank
Sunand Prasad
Dr J Giordano
R G Cross

Chief Executive Officer & Company Secretary

Dr V Harris (Resigned 1 June 2010)
R G Cross (Appointed 1 June 2010)

Directors

J B Pringle
Dr V Harris (Resigned 1 June 2010)
R G Cross

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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.

R Cross is Company Secretary and also a Director of the charitable company.

ARTICLE 25

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

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 advisors 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.

ARTICLE 25

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

Risk management (continued)

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.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

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 2010 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.

The trustees confirm that they have referred to the guidance contained in The Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities for the year.

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, 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 10 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 2010 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.

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REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 MAY 2010

FUTURE DEVELOPMENTS (CONTINUED)

Article 25 plans to continue to develop strategic alliances with large NGOs in 2010/11 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 2011, 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 charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

ON BEHALF OF THE BOARD:

Chief Executive Officer
R Cross - Secretary

8 December 2010

ARTICLE 25

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2010

	Notes	2010 Restricted Funds £	2010 Unrestricted Funds £	2010 Total Funds £	2009 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		45,173	190,114	235,287	168,688
Activities for generating funds	2	-	137,663	137,663	18,107
Investment income	3	-	68	68	624
Incoming resources from charitable activities					
Mission		-	1,605	1,605	4,226
Total incoming resources		45,173	329,450	374,623	191,645
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		-	64,009	64,009	83,823
Fundraising trading: cost of goods sold and other costs		-	3,089	3,089	1,827
		-	67,098	67,098	85,650
Net incoming/(outgoing) resources available for charitable application		45,173	262,352	307,525	105,995
Charitable activities					
Mission		-	253,021	253,021	146,023
Governance costs		-	-	-	2,778
Total resources expended		-	253,021	253,021	148,801
NET MOVEMENT OF FUNDS		45,173	9,331	54,504	(42,806)
RECONCILIATION OF FUNDS					
Total funds brought forward as at 1 June 2009		-	27,718	27,718	70,524
TOTAL FUNDS CARRIED FORWARD AS AT 31 MAY 2010		45,173	37,049	82,222	27,718

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All the above results are derived from continuing activities. All gains and losses recognised in the year are included.

The notes form part of these financial statements

ARTICLE 25
BALANCE SHEET
AT 31 MAY 2010

	Notes	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
FIXED ASSETS					
Tangible assets	7	4,406	-	4,406	6,132
CURRENT ASSETS					
Cash at bank and in hand		40,629	45,173	85,802	23,526
CREDITORS					
Amounts falling due within one year	9	(7,986)	-	(7,986)	(1,940)
NET CURRENT ASSETS		<u>37,049</u>	<u>45,173</u>	<u>82,222</u>	<u>27,718</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
NET ASSETS		<u>37,049</u>	<u>45,173</u>	<u>82,222</u>	<u>27,718</u>
FUNDS					
Unrestricted funds:	10				
General fund				37,049	27,718
Restricted funds:					
Restricted Donations				<u>45,173</u>	-
TOTAL FUNDS				<u>82,222</u>	<u>27,718</u>

The notes form part of these financial statements

ARTICLE 25

**BALANCE SHEET - CONTINUED
AT 31 MAY 2010**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2010.

The Trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 May 2010 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 8 December 2010 and were signed on its behalf by:

Chief Executive Officer
R Cross

The notes form part of these financial statements

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2010

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 2006.

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

Unrestricted funds can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes/

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

	2010	2009
	£	£
Fundraising events	<u>137,663</u>	<u>18,107</u>
	<u>137,663</u>	<u>18,107</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2010

3. INVESTMENT INCOME

	2010	2009
	£	£
Deposit account interest	<u>68</u>	<u>624</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2010	2009
	£	£
Depreciation - owned assets	<u>1,726</u>	<u>1,725</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 May 2010 nor for the year ended 31 May 2009.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 May 2010, nor for the year ended 31 May 2009.

6. STAFF COSTS

	2010	2009
	£	£
Wages and salaries	183,466	97,139
Social security costs	<u>18,846</u>	<u>9,894</u>
	<u>202,312</u>	<u>107,033</u>

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2010

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 June 2009	11,340
Additions	<u>-</u>
At 31 May 2010	<u>11,340</u>
DEPRECIATION	
At 1 June 2009	5,208
Charge for year	<u>1,726</u>
At 31 May 2010	<u>6,934</u>
NET BOOK VALUE	
At 31 May 2010	<u>4,406</u>
At 31 May 2009	<u>6,132</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Other debtors	<u>-</u>	<u>-</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	-	-
Taxation and social security	7,002	759
Other creditors	<u>984</u>	<u>1,181</u>
	<u>7,986</u>	<u>1,940</u>

10. MOVEMENT IN FUNDS

	At 1.6.09 £	Net movement in funds £	At 31.5.10 £
Funds			
Unrestricted	27,718	9,331	37,049
Restricted	-	45,173	45,173
	<u>27,718</u>	<u>54,504</u>	<u>82,222</u>
TOTAL FUNDS	<u>27,718</u>	<u>54,504</u>	<u>82,222</u>

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2010

10. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Funds			
Unrestricted funds	329,450	(320,119)	9,331
Restricted funds	45,173	-	45,173
TOTAL FUNDS	<u>374,623</u>	<u>(320,119)</u>	<u>54,504</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions in the year, nor were any monies owing to or from any related party as at 31 March 2010.

12. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its trustees.

13. DONATED FACILITIES AND SERVICES

	2010 £	2009 £
Office space	-	-
Project fees - Consultant Engineer	-	-
Printing	-	-
Exhibition costs	-	-
Fundraising expenses	-	-
Computers, chairs & magnetic boards	-	4000
Advertising and Logo design	-	30,000
Sundry mission expenses	-	-
	<u>-----</u>	<u>-----</u>
		<u>34,000</u>

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.

14. EMPLOYEES

There was an average of ten full time employees during the period. No employee was paid more than £60,000 per annum.

ARTICLE 25

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2010

	Restricted £	Unrestricted £	2010 £	2009 £
INCOMING RESOURCES				
Voluntary income				
Donations	45,173	190,114	235,287	162,766
Gift aid	-	-	-	5,922
	<u>45,173</u>	<u>190,114</u>	<u>235,287</u>	<u>168,688</u>
Activities for generating funds				
Fundraising events	-	137,663	137,663	18,107
Sponsorships	-	-	-	-
	-	<u>137,663</u>	<u>137,663</u>	<u>18,107</u>
Investment income				
Deposit account interest	-	68	68	624
Incoming resources from charitable activities				
CPD	-	<u>1,605</u>	<u>1,605</u>	<u>4,226</u>
Total incoming resources	45,173	329,450	374,623	191,645
RESOURCES EXPENDED				
Costs of generating voluntary income				
Wages	-	39,203	39,203	66,588
Social security	-	3,553	3,553	6,946
Insurance	-	1,976	1,976	7,650
Telephone	-	-	-	-
Postage and stationery	-	-	-	-
Sundries	-	573	573	2,042
Travel	-	909	909	597
Entertaining	-	-	-	-
Events	-	<u>17,795</u>	<u>17,795</u>	-
	-	<u>64,009</u>	<u>64,009</u>	<u>83,823</u>
Fundraising trading: cost of goods sold and other costs				
Promotion	-	3,089	3,089	1,827
Charitable activities				
Wages	-	144,262	144,262	30,551
Social security	-	15,293	15,293	2,948
Rent, rates and water	-	24,057	24,057	24,681
Insurance	-	1,135	1,135	3,866
Travel	-	1,511	1,511	1,439
Telephone	-	4,923	4,923	2,699
Carried forward	-	<u>191,181</u>	<u>191,181</u>	<u>66,184</u>

This page does not form part of the statutory financial statements

ARTICLE 25

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2010

	Restricted £	Unrestricted £	2010 £	2009 £
Charitable activities				
Brought forward	-	191,181	191,181	66,184
Postage and stationery	-	6,839	6,839	5,672
Advertising	-	-	*	30,000
Sundries	-	4,360	4,360	2,857
Volunteer travel expenses	-	7,992	7,992	6,840
Training & volunteers stipend	-	695	695	455
Foreign travel expenses	-	738	738	12,001
UK Travel expenses	-	328	328	161
Visas, vaccinations & medical	-	865	865	271
Accommodation & subsistence	-	(1,015)	(1,015)	349
Project sponsorship	-	-	-	-
General materials etc	-	1,541	1,541	8,734
Own events	-	17,831	17,831	-
	-	231,353	231,353	133,524
Governance costs				
Accountancy	-	-	-	2,778
Legal fees	-	-	-	-
	-	-	-	2,778
Support costs				
Management				
Light and heat	-	1,701	1,701	1,213
Staff welfare	-	1,504	1,504	20
IT and computer consumables	-	16,594	16,594	9,400
Depreciation of tangible and heritage assets	-	1,726	1,726	1,725
	-	21,525	21,525	12,358
Finance				
Bank charges	-	141	141	141
Total resources expended	-	320,119	320,119	234,451
Net expenditure	<u>45,173</u>	<u>9,331</u>	<u>54,504</u>	<u>(42,806)</u>

This page does not form part of the statutory financial statements

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ARTICLE 25

I report on the accounts of the company for the year ended 31 May 2010 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England & Wales.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended); and
- state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


T E A Collerton FCCA ACA CTA
Wilkins Kennedy
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
HP 6FA

Date: