

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 2012**

FOR ARTICLE 25

ACCOUNTS
11 MAR 2013
RECEIVED BY POST TEAM

ARTICLE 25

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FOR THE YEAR ENDED 31 MAY 2012**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2012

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2012

The trustees present their report with the financial statements of the charity for the year ended 31 May 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. This report is also the director's report required by s.234 of the Charities Act 1985.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05608022 (England and Wales)

Registered Charity number

1112621

Registered office and principal office

13 Curtain Road
London
EC2A 3LU

Chief Executive Officer, Director and Company Secretary

R G Cross

Directors

R G Cross
J B Pringle

Trustees

J B Pringle - Chair
Lord Foster of Thames Bank
Dr J Giordano (Stepped down 11.06.12)
M Hutchinson
P Murray
R G Cross
Sunand Prasad (Stepped down 13.12.11)

Accountants

Wilkins Kennedy
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

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.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2012

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2012 contd./...

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. Robin Cross is a Director and Secretary of the charitable company, alongside Jack Pringle appointed as Director and Chairman of the charitable company.

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 work with partner NGOs to provide 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.

The organizational structure comprises a Board of Trustees, a Senior Management Team, the Executive Staff and Volunteer Team. In addition we organize specific project related teams and steering groups under the line management of the Senior Management Team.

Related parties

Article 25 works with partner NGOs, INGOs, charities and development agencies in the developing world. Article 25 receive the donation of skills from various professional parties who assist in the delivery of our projects. Article 25 also collaborate with academic institutions in the development of research.

Article 25 introduces construction design skills to international development projects. We also introduce skilled personnel to other institutions to raise their capacity to deliver projects.

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 insurance for personnel in the field. Our legal advisors have opined 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, amongst other contingencies. Taking these measures into account our legal advisers concurred at the instigation of our processes, that we are providing adequate information and conditions for staff and volunteers to meet the standard of 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 administrating its charitable activities. Article 25 has been retained to assess and mitigate risks for other organisations who fund projects of a similar nature to those Article 25 specialises in.

The CEO provides project or activity specific risk analysis to the trustees for the information and approval.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2012

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2012 contd./...

All projects are assessed for their potential risks in delivery before significant charity resources are dedicated to the project.

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 our office address.

Under our overseas personnel policies for personnel related risk management, our volunteers and staff have undergone any required 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, are briefed on the pertinent local and social issues, and are instructed to carry emergency contact details, communication devices and information at all times. Each location is researched in advance and advice sought from FCO and in-country sources. We work particularly with local partners who have detailed knowledge of conditions in the field.

The charity's financial risk management includes a policy of increasing the reserves of unrestricted funds to help mitigate organisational risks of any eventuality.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Objectives and aims

Article 25 provide important construction industry skills to the International Development community. We aim to apply these skills where they make the greatest beneficial difference to the most vulnerable people. We continue to deliver these objectives through close collaborations with NGOs and community groups internationally. We have expanded our work to provide technical skills to larger humanitarian organisations. We continue to deliver our awareness raising work for construction professionals. Article 25 have been able to increasingly focus its work on the most underdeveloped countries or the most vulnerable communities within a country.

ACHIEVEMENT AND PERFORMANCE

Charitable Activities

Article 25 safeguards the effectiveness of its work through maintaining high professional standards and by monitoring outputs. All projects are thoroughly scrutinised before we invest our resources. We examine the long term sustainability of each project to ensure a lasting impact is achieved.

Article 25 carry out evaluations of project effectiveness as part of improving our own and partners' work.

FINANCIAL REVIEW

Financial Review

The Trustees remain pleased with the financial development and positive growth of the charity in what remains a difficult economy. Staff numbers have stabilised at 10 paid full time staff and approximately 20 full time volunteers in total. Moreover, the trustees remain pleased with the charity's management regarding overall fiscal accountability and transparency. The charity has increased its income to provide improved resilience. New potential projects to launch in 2012-13 will offer significantly increased income and impact through Article 25's work.

New fundraising staff have been recruited in order to increase Article 25's base of sustainable income sources.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2012

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2012 contd./...

FUTURE DEVELOPMENTS

We have expanded our work in West Africa with a school building programme. Article 25 have completed an important training facility for former child soldiers in Uganda, launched a new programme in Burkina Faso and have several new projects in the region to initiate.

Work continues in Haiti and Afghanistan where Article 25 is focusing its time on school reconstruction to help children recover their education prospects.

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

Date. *22/02/13*

ARTICLE 25

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2012

	Notes	2012 Restricted Funds £	2012 Unrestricted Funds £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income			189,772	189,772	220,345
Activities for generating funds	2		132,279	132,279	84,262
Investment income	3		222	222	158
Incoming resources from charitable activities					
Mission			<u>129,103</u>	<u>129,103</u>	<u>124,061</u>
Total incoming resources			451,376	451,376	428,826
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income			73,742	73,742	104,142
Fundraising trading: cost of goods sold and other costs			<u>12,778</u>	<u>12,778</u>	<u>12,275</u>
			86,520	86,520	116,417
Net incoming/(outgoing) resources available for charitable application					
Charitable activities			364,856	364,856	312,409
Mission			291,640	291,640	334,042
Governance costs			<u>5,964</u>	<u>5,964</u>	<u>744</u>
Total resources expended			297,604	297,604	334,786
NET MOVEMENT OF FUNDS					
			67,252	67,252	(22,377)
RECONCILIATION OF FUNDS					
Total funds brought forward as at 1 June 2011		45,173	14,672	59,845	82,222
TOTAL FUNDS CARRIED FORWARD AS AT 31 MAY 2012		<u>45,173</u>	<u>81,924</u>	<u>127,097</u>	<u>59,845</u>

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 2012
Co Reg No: 05608022**

	Notes	Restricted funds £	Unrestricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	7		11,362	11,362	3,305
CURRENT ASSETS					
Cash at bank and in hand		45,173	80,189	125,362	65,375
Other debtors			5,206	5,206	180
CREDITORS					
Amounts falling due within one year	9		(14,833)	(14,833)	(9,016)
NET CURRENT ASSETS		45,173	70,562	115,735	56,539
TOTAL ASSETS LESS CURRENT LIABILITIES		45,173	81,924	127,097	59,844
NET ASSETS		45,173	81,924	127,097	59,844
FUNDS	10				
Unrestricted funds:					
General fund				81,924	14,671
Restricted funds:					
Restricted Donations				45,173	45,173
TOTAL FUNDS				127,097	59,844

The notes form part of these financial statements

ARTICLE 25

BALANCE SHEET - CONTINUED

AT 31 MAY 2012

Co Reg No: 05608022

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2012.

The Trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 May 2012 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 *22/02/13*..... and were signed on its behalf by:



Chief Executive Officer
R Cross

The notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2012

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

	2012	2011
	£	£
Fundraising events	<u>132,279</u>	<u>84,262</u>
	<u>132,279</u>	<u>84,262</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2012

3. INVESTMENT INCOME

	2012	2011
	£	£
Deposit account interest	<u>222</u>	<u>158</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2012	2011
	£	£
Depreciation - owned assets	<u>3,786</u>	<u>1,102</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 May 2012 nor for the year ended 31 May 2011.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 May 2012, nor for the year ended 31 May 2011.

6. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	209,244	208,702
Social security costs	<u>27,359</u>	<u>39,054</u>
	<u>236,603</u>	<u>247,756</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2012**

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 June 2011	11,340
Additions	<u>11,844</u>
At 31 May 2012	<u>23,184</u>
 DEPRECIATION	
At 1 June 2011	8,036
Charge for year	<u>3,786</u>
At 31 May 2012	<u>11,823</u>
 NET BOOK VALUE	
At 31 May 2012	<u>11,362</u>
At 31 May 2011	<u>3,305</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Other debtors	<u>5,206</u>	<u>180</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	-	-
Taxation and social security	-	-
Other creditors	<u>14,833</u>	<u>9,016</u>
	<u>14,833</u>	<u>9,016</u>

10. MOVEMENT IN FUNDS

	At 1.6.11 £	Net movement in funds £	At 31.5.12 £
Funds			
Unrestricted	14,672	67,252	81,924
Restricted	45,173	-	45,173
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>59,845</u>	<u>67,252</u>	<u>127,097</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2012

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	451,376	(384,124)	67,252
Restricted funds	-	-	-
TOTAL FUNDS	<u>452,662</u>	<u>(384,124)</u>	<u>67,252</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 2012.

12. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its trustees.

13. DONATED FACILITIES AND SERVICES

	2012 £	2011 £
Office space	-	-
Project fees - Consultant Engineer	-	-
Printing	-	-
Exhibition costs	-	-
Fundraising expenses	-	-
Computers, chairs & magnetic boards	-	-
Advertising and Logo design	-	-
Sundry mission expenses	-	-
	<u>-----</u>	<u>-----</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.

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2012**

	Restricted £	Unrestricted £	2012 £	2011 £
INCOMING RESOURCES				
Voluntary income				
Donations		189,772	189,772	220,345
Gift aid			-	-
		<u>189,772</u>	<u>189,772</u>	<u>220,345</u>
Activities for generating funds				
Fundraising events		132,279	132,279	84,262
Sponsorships			-	-
		<u>132,279</u>	<u>132,279</u>	<u>84,262</u>
Investment income				
Deposit account interest		222	222	158
Incoming resources from charitable activities				
CPD		<u>129,103</u>	<u>129,103</u>	<u>124,061</u>
Total incoming resources		451,376	451,376	428,826
RESOURCES EXPENDED				
Costs of generating voluntary income				
Wages		51,743	51,743	70,758
Social security		6,756	6,756	14,326
Insurance		-	-	3,962
Telephone		-	-	-
Postage and stationery		-	-	-
Sundries		2,157	2,157	3,018
Travel		205	205	788
Entertaining		-	-	68
Events		<u>12,881</u>	<u>12,881</u>	<u>11,222</u>
		<u>73,742</u>	<u>73,742</u>	<u>104,142</u>
Fundraising trading: cost of goods sold and other costs				
Promotion		12,778	12,778	12,275
Charitable activities				
Wages		157,500	157,500	137,944
Social security		20,603	20,603	24,728
Rent, rates and water		22,780	22,780	23,568
Insurance		1,092	1,092	1,058
Travel		1,579	1,579	2,351
Telephone		7,516	7,516	5,945
Carried forward		<u>211,070</u>	<u>211,070</u>	<u>195,594</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 2012

	Restricted £	Unrestricted £	2012 £	2011 £
Charitable activities				
Brought forward		211,070	211,070	195,594
Postage and stationery		3,578	3,578	6,185
Advertising		-	-	535
Sundries		522	522	1,989
Volunteer travel expenses		1,706	1,706	4,775
Training & volunteers stipend		4,825	4,825	5,147
Foreign travel expenses		13,264	14,264	18,741
UK Travel expenses		-	-	-
Visas, vaccinations & medical		102	102	1,877
Accommodation & subsistence		-	-	460
Consultants		15,710	15,710	30,254
General materials etc		930	930	4,048
Own events		10,462	10,462	38,970
		<u>262,169</u>	<u>262,169</u>	<u>308,575</u>
Governance costs				
Accountancy		5,964	5,964	744
Legal fees		-	-	-
		<u>5,964</u>	<u>5,964</u>	<u>744</u>
Support costs				
Management				
Light and heat		-	-	4,548
Office services		9,328	9,328	3,490
Staff welfare		-	-	68
IT and computer consumables		12,287	12,287	16,183
Telephone		4,013	4,013	-
Depreciation of tangible and heritage assets		3,786	3,786	1,101
		<u>29,414</u>	<u>29,414</u>	<u>25,390</u>
Finance				
Bank charges		57	57	77
		<u>57</u>	<u>57</u>	<u>77</u>
Total resources expended		<u>384,124</u>	<u>384,124</u>	<u>451,203</u>
Net expenditure		<u>67,252</u>	<u>67,252</u>	<u>(22,377)</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 2012 which are set out on pages 4 to 11.

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 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 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 Charities have 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 LLP
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
HP 6FA

Date: 22/2/13