

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 2013
FOR ARTICLE 25

ARTICLE 25
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FOR THE YEAR ENDED 31 MAY 2013

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ARTICLE 25

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2013

The trustees present their report with the financial statements of the charity for the year ended 31 May 2013. 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
10th Floor
1 Canada Square
London
E14 5AB

Chief Executive Officer, Director and Company Secretary
R G Cross

Directors
R G Cross
J B Pringle

Trustees
M Hutchinson
J B Pringle - Chair
Lord Foster of Thames Bank
Dr J Glordano (Stepped down 11.06.12)
P Murray
Geoffrey Payne

Accountants
Wilkins Kennedy
Anglo House
Bell Lane Office Village
Bell Lane
Amersham, Bucks
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 1985. The Memorandum of Association and the Articles of Association are the charity's governing document.

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REPORT OF THE TRUSTEES contd./... FOR THE YEAR ENDED 31 MAY 2013

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, development agencies and governments in the developing world. Article 25 receives the donation of skills from various professional parties who assist in the delivery of our projects.

Article 25 introduces construction design skills to international development projects. Article 25 also provides Capacity Building to larger agencies and government departments in the developing world as a way to increase the impact of Article 25's work.

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 advised 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 advisors 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 administering 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 their information and approval.

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

ARTICLE 25

REPORT OF THE TRUSTEES contd./... FOR THE YEAR ENDED 31 MAY 2013

The charity also works closely with 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 provides 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 and governments. Article 25 has been able to increasingly focus its work on the most underdeveloped countries or the most vulnerable communities within a country. The potential within construction projects to raise the capacity of partners in the developing world is maximized through on-the-job training and empowering others through collaborative work.

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 carries 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 challenging economic circumstance. Staff numbers have stabilised at 10 paid full time staff and approximately 10 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 earned income to provide improved resilience. At the time of publication of these accounts the reserves include a significant amount of income which has been deferred. This was an advance receipt and relates to the expected costs of our work in Afghanistan, which have not yet been incurred as at the year end. New potential projects to launch in 2013-14 will offer increased income and impact through Article 25's work.

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

ARTICLE 25

**REPORT OF THE TRUSTEES contd./...
FOR THE YEAR ENDED 31 MAY 2013**

FUTURE DEVELOPMENTS

We have expanded our work in West Africa with a school building programme. Article 25 has completed an important new model school in Burkina Faso and have several new projects elsewhere 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. New work in North Africa has been developed and will start on site in 2014.

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: *18 October 2013*

ARTICLE 25

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2013

	Notes	2013 Restricted Funds £	2013 Unrestricted Funds £	2013 Total Funds £	2012 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income			172,899	172,899	189,772
Activities for generating funds	2		199,001	199,001	132,279
Investment income	3		187	187	222
Incoming resources from charitable activities					
Mission			1,549	1,549	129,103
Total Incoming resources			373,636	373,636	451,376
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income			49,117	49,117	73,742
Fundraising trading: cost of goods sold and other costs			2,381	2,381	12,778
			51,498	51,498	86,520
Net incoming/(outgoing) resources available for charitable application					
Charitable activities			322,138	322,138	364,856
Mission			275,027	275,027	291,640
Governance costs			1,827	1,827	5,964
Total resources expended			276,854	276,854	297,604
NET MOVEMENT OF FUNDS					
			45,284	45,284	67,252
RECONCILIATION OF FUNDS					
Total funds brought forward as at 1 June 2012		45,173	81,924	127,097	59,845
TOTAL FUNDS CARRIED FORWARD AS AT 31 MAY 2013		<u>45,173</u>	<u>127,208</u>	<u>172,381</u>	<u>127,097</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 2013
Co Reg No: 05608022

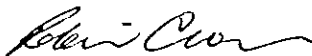
	Notes	Restricted funds £	Unrestricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	7		8,521	8,521	11,362
CURRENT ASSETS					
Cash at bank and in hand		45,173	197,629	242,802	125,362
Other debtors			23,338	23,338	5,206
CREDITORS					
Amounts falling due within one year	9		(102,280)	(102,280)	(14,833)
NET CURRENT ASSETS					
		45,173	118,687	163,860	115,735
TOTAL ASSETS LESS CURRENT LIABILITIES					
		45,173	127,208	172,381	127,097
NET ASSETS					
		<u>45,173</u>	<u>127,208</u>	<u>172,381</u>	<u>127,097</u>
FUNDS					
Unrestricted funds:	10				
General fund				127,208	81,924
Restricted funds:					
Restricted Donations				<u>45,173</u>	<u>45,173</u>
TOTAL FUNDS					
				<u>172,381</u>	<u>127,097</u>

The notes form part of these financial statements

ARTICLE 25
BALANCE SHEET - CONTINUED
AT 31 MAY 2013
Co Reg No: 05608022

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board of Trustees on *18 October 2013* 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 2013

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.

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2013

2. ACTIVITIES FOR GENERATING FUNDS

	2013	2012
	£	£
Fundraising events	113,428	132,279
Grants	46,805	-
Sponsorship	<u>38,768</u>	<u>-</u>
	<u>199,001</u>	<u>132,279</u>

3. INVESTMENT INCOME

	2013	2012
	£	£
Deposit account interest	<u>187</u>	<u>222</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Depreciation - owned assets	<u>2,840</u>	<u>3,786</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 May 2013 nor for the year ended 31 May 2012.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 May 2013, nor for the year ended 31 May 2012.

6. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	189,423	209,244
Social security costs	<u>20,044</u>	<u>27,359</u>
	<u>209,467</u>	<u>236,603</u>

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2013

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 June 2012	23,184
Additions	<u>-</u>
At 31 May 2013	<u>23,184</u>
DEPRECIATION	
At 1 June 2012	11,823
Charge for year	<u>2,840</u>
At 31 May 2013	<u>14,663</u>
NET BOOK VALUE	
At 31 May 2013	<u>8,521</u>
At 31 May 2012	<u>11,362</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Other debtors	<u>23,338</u>	<u>5,206</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	-	-
Taxation and social security	7,146	-
Other creditors	<u>95,134</u>	<u>14,833</u>
	<u>102,280</u>	<u>14,833</u>

10. MOVEMENT IN FUNDS

	At 1.6.12 £	Net movement in funds £	At 31.5.13 £
Funds			
Unrestricted	81,924	45,284	127,208
Restricted	45,173	-	45,173
TOTAL FUNDS	<u>127,097</u>	<u>45,284</u>	<u>172,381</u>

ARTICLE 25

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MAY 2013

10. **MOVEMENT IN FUNDS - continued**

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

Funds	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds	373,636	(328,352)	45,284
Restricted funds	-	-	-
TOTAL FUNDS	<u>373,636</u>	<u>(328,352)</u>	<u>45,284</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 2013.

12. **ULTIMATE CONTROLLING PARTY**

The charitable company is under the control of its trustees.

13. **DONATED FACILITIES AND SERVICES**

	2013 £	2012 £
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.

ARTICLE 25

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2013

	Restricted £	Unrestricted £	2013 £	2012 £
INCOMING RESOURCES				
Voluntary Income				
Donations		172,899	172,899	189,772
Gift aid		-	-	-
		172,899	172,899	189,772
Activities for generating funds				
Fundraising events		113,428	113,428	132,279
Grants		46,805	46,805	-
Sponsorships		38,768	38,768	-
		199,001	199,001	132,279
Investment Income				
Deposit account interest		187	187	222
Incoming resources from charitable activities				
CPD		1,549	1,549	129,103
Total incoming resources		373,636	373,636	451,376
RESOURCES EXPENDED				
Costs of generating voluntary income				
Wages		37,038	37,038	51,743
Social security		3,592	3,592	6,756
Insurance		-	-	-
Telephone		-	-	-
Postage and stationery		-	-	-
Sundries		-	-	2,157
Travel		693	693	205
Entertaining		-	-	-
Events		7,794	7,794	12,881
		49,117	49,117	73,742
Fundraising trading: cost of goods sold and other costs				
Promotion		2,381	2,381	12,778
Charitable activities				
Wages		152,385	152,385	157,500
Social security		16,452	16,452	20,603
Rent, rates and water		24,261	24,261	22,780
Insurance		2,859	2,859	1,092
Travel		308	309	1,579
Telephone		2,580	2,580	7,516
Carried forward		198,845	198,845	211,070

This page does not form part of the statutory financial statements

ARTICLE 25

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MAY 2013**

	Restricted £	Unrestricted £	2013 £	2012 £
Charitable activities				
Brought forward		198,845	198,845	211,070
Postage and stationery		931	931	3,578
Advertising		-	-	-
Sundries		3,051	3,051	522
Volunteer travel expenses		728	728	1,706
Training & volunteers stipend		283	283	4,825
Foreign travel expenses		4,618	4,618	14,264
UK Travel expenses		519	519	-
Visas, vaccinations & medical		61	61	102
Accommodation & subsistence		-	-	-
Consultants		29,703	29,703	15,710
General materials etc		195	195	930
Own events		7,894	7,894	10,462
		<u>246,828</u>	<u>246,828</u>	262,169
Governance costs				
Accountancy		1,827	1,827	5,964
Legal fees		-	-	-
		<u>1,827</u>	<u>1,827</u>	5,964
Support costs				
Management				
Light and heat		1,587	1,587	-
Office services		3,099	3,099	9,328
Staff welfare		765	765	-
IT and computer consumables		18,565	18,565	12,287
Telephone		1,135	1,135	4,013
Depreciation of tangible and heritage assets		2,840	2,840	3,786
		<u>27,991</u>	<u>27,991</u>	29,414
Finance				
Bank charges		208	208	57
		<u>208</u>	<u>208</u>	57
Total resources expended		<u>328,352</u>	<u>328,352</u>	384,124
Net Income over expenditure		<u>45,284</u>	<u>45,284</u>	<u>67,252</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 2013 which are set out on pages 5 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 144(2) of the Charities Act 2011 (the 2011 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; and
- state whether particular matters have come to my attention.

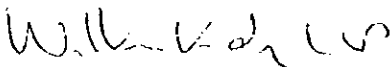
Basis of Independent examiner's statement

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: 18/10/2013