

# Annual Report and Financial Statements

31 December 2016

Stronger  
for our  
members,  
stronger for  
architecture

# Contents

## Introduction

Our Vision, Purpose, Values and Strategy	4
Foreword	7

## Section One

Achieving Our Strategic Aims and Objectives in 2016	13
Strong Profession	14
Strong Voice	21
Strong Organisation	30

## Section Two

RIBA Enterprises	36
------------------	----

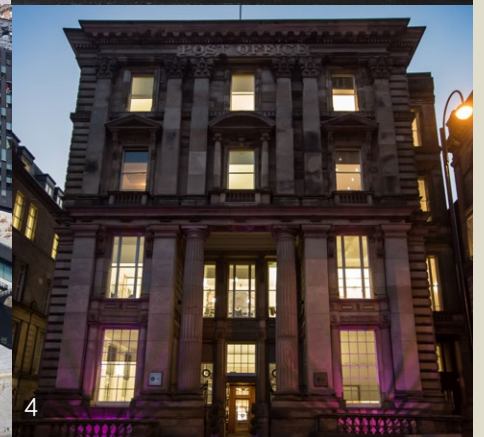
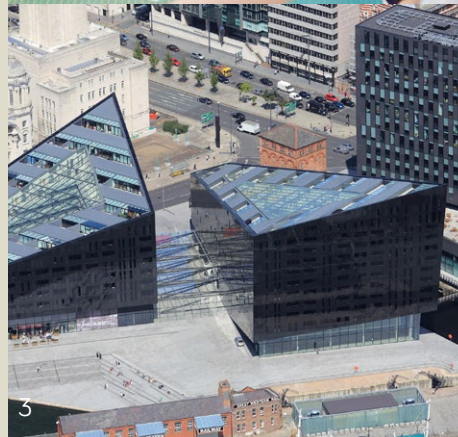
## Section Three

Financial Review	41
Structure, Governance and Management	48
Independent Auditors' Report	50
Financial Statements	52
Notes to the Financial Statements	55

Trustees and Council Members	80
RIBA Board	81
Group Executive	81
Senior Staff Members	81
External	81
Public Benefit	82
Supporters	83

Front cover: RIBA International Prize winner UTEC by Grafton Architects. Credit: Iwan Baan

- RIBA National Schools Programme workshop.  
Credit: Paul Cochrane/RIBA, British Architectural Library
- RIBA Regent Street Windows display. Credit: Lauren Michelle Pires
- RIBA North. Credit: Webbaviation.co.uk
- The NBS headquarters at The Old Post Office, Newcastle.  
Credit: The Bigger Picture Agency Ltd
- Newport Street Gallery, RIBA Stirling Prize 2016 winner.  
Credit: Hélène Binet
- Royal Gold Medallist Dame Zaha Hadid. Credit: Sophie Mutevelian



# Our Vision, Purpose, Values and Strategy

The RIBA was founded in 1834 for “the general advancement of civil architecture, and for promoting and facilitating the acquirement of the knowledge of the various arts and sciences connected therewith”. We do not receive any government funding but rely on our 40,000 plus members, sponsors and our charitable trading operations to make our work possible.

## Our Vision

A global professional membership body driving excellence in architecture.

## Our Purpose

To serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment.

## Our Values

Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

## Our Strategy

*Advancing Architecture*, our strategic plan for 2016–2020, is built around three pillars: a strong profession, a strong voice and a strong organisation. A business plan for each year sets out activities designed to achieve our objectives over this five-year period.

### A STRONG PROFESSION

We will help our members engage with the challenges and opportunities of a changing world, lead and support the highest professional and ethical standards and facilitate collaboration, research and innovation. We will ensure that our profession thrives by attracting the best and most diverse talent with access to the education, knowledge and skills to succeed.

### A STRONG VOICE

We will ensure that architecture and architects are better understood and valued by clients, policymakers, the media, the public and a growing network of supporters. We will do this through advocacy and engagement based on our collections, cultural programmes, evidence-base and the expertise of architects.

### A STRONG ORGANISATION

We will grow our membership base and ensure that our business model supports our vision, purpose and strategy. We will do this by engaging talented and committed staff, enhancing the value of our offer to members and others, generating diverse and sustainable sources of income and striving for operational excellence.

The three pillars are all underpinned by clear, focused aims and objectives. We measure our performance accordingly and hold ourselves to account for the outcome. Section One of this Annual Report describes the progress we made in achieving these strategic aims and objectives in 2016. The full list of activities is contained in our Performance Report (published separately).

“  
Part of  
architecture’s job  
is to make people  
feel good in the  
spaces where we  
live, go to school  
or where we work  
– so we must  
be committed to  
raising standards.”

Dame Zaha Hadid, 1950-2016,  
winner of the 2016 Royal Gold  
Medal for architecture

Stronger  
for our  
members,  
stronger for  
architecture



Few years in recent memory have had more far-reaching implications for the architectural profession than 2016. It was a year of uncertainty, in which the UK voted to leave the EU, but also a time of strategic focus for us at the RIBA. We steadied the ship and embraced our leadership role, embarking on a process that will greatly strengthen the RIBA's relationship with our 40,000 plus members worldwide and prepare us all for an ambitious global future. A future in which the RIBA will be more transparent, more accountable and more sustainable in our support for our members and for architecture.

We know that architects are very resilient and have a positive global outlook but the EU referendum result was unexpected. Economic turbulence was inevitable in the wake of the vote. Leaving will affect many UK practices, particularly those who employ large numbers of EU-qualified architects in London and elsewhere. We responded by listening to our members' concerns, keeping them informed, acting on their behalf and leading debate with our industry partners and with the Government. Two of the most encouraging outcomes have been the level of agreement across the construction industry about the priorities we share and the willingness of the Government to invite the RIBA to sit at the top table for crucial dialogue.

In Brexit discussions and other key areas such as housing and planning we have once again become a sounding board for policymakers, ensuring the voices of our members are being heard at the highest level. This has already made a significant difference in areas that matter. A prime example is the importance of mutual recognition of professional qualifications and we were glad to see this included in the White Paper setting out the Government's Brexit plans.

Our message is clear: UK architecture has an unrivalled reputation around the

world. Mutual recognition of qualifications has a multiplier effect. It opens the door to lucrative trade benefits by enabling architects to work and specify products in other countries.

#### STRATEGIC DIRECTION

In June 2016 – the same month as the Brexit referendum – we published *Advancing Architecture*, our five-year strategic plan to achieve our vision for the RIBA to be a global professional membership body driving excellence in architecture. The new strategy places a strong emphasis on seizing global opportunities, exactly as UK businesses must do in order to thrive outside the EU. The launch could hardly have been more timely. It clearly demonstrated the importance of effective strategic planning and being able to respond swiftly and flexibly to major external events.

Founded on extensive research with members and other key stakeholders, *Advancing Architecture* is built upon three pillars – a strong profession, a strong voice and a strong organisation. The 2016 business plan identifies 115 key activities, above and beyond business as usual, needed to support the delivery of these strategic objectives.

Building a strong organisation is at the heart of the strategy and is the



In discussions about Brexit and other key areas such as housing and planning, the RIBA has once again become a sounding board for policymakers.





foundation of building a sustainable future for the RIBA. Securing our financial position, arresting the stagnation in our membership and having a clear understanding of everything we do and how much it costs are all critically important. By the end of the year we had made great strides in all these key areas.

In 2016 our membership base grew significantly for the first time since the recession. Highlighting the value of everything we have to offer, the 'Be RIBA' campaign took the message about the benefits of belonging to the RIBA to potential new members as well as the existing membership. Following the launch of the campaign we achieved a record 45% increase in the numbers of Chartered Members elected or readmitted. We also succeeded in widening the appeal of being a RIBA member to a younger age group. Two thirds of new Chartered Members are now aged under 35.

We introduced a new business planning process that makes us more transparent and accountable. It also brings all our activities into much sharper focus, which has enabled us to simplify the 2017 business plan still further. Getting these fundamentals right will pay growing

dividends and enable us to maximise member value in the years ahead.

A core programme of work focused on analysing all the products and services that we provide for members and other users, information now brought together for the first time in a service catalogue. This comprehensive directory gives us a blueprint to design products and services in a way that is customer-focused, joined up, cost effective and financially sustainable. The insight it provides will enable us to maintain the right balance between cultural and membership activities, work that continues in 2017.

We carried out a detailed financial analysis to identify all the ways the organisation generates and spends its money and used this information as the basis for a comprehensive financial reality check. While our membership activities pay their own way, cultural activities rely on other sources of income, principally the profits from RIBA Enterprises. Long-term financial planning is therefore essential to maintain the richness of the cultural programme. We introduced a new ten-year financial model which provides the clarity we need to grow our income streams and ensure our long-term financial position is sufficiently secure to

Inspire! A celebration of the RIBA National Schools Programme © Paul Cochrane



Royal Gold Medallist Dame Zaha Hadid, 1950-2016  
© Sophie Mutevelian

continue both membership and cultural activities with equal vigour.

Digital investment is crucially important for our future success. We need to achieve a step change in our digital presence worldwide to fulfil the RIBA's potential as a global membership organisation. Through the latest digital technology we can make members in every continent feel part of the same RIBA family, whether to join and renew their membership online quickly and easily or to take a full part in live streaming of events and debates from 66 Portland Place and elsewhere, regardless of their physical location. To make this possible we began a complete renewal of our digital and IT infrastructure in 2016. We have now launched our new website, architecture.com, making it far quicker and easier for users, especially members, to find the content they need. This will deliver the global presence that we and our members will increasingly depend upon in the years to come.

#### **SUPPORTING OUR MEMBERS**

We are helping ever-increasing numbers of members to compete with the best in the world through our business skills programme. Continuing professional

development (CPD) plays a vital part in this programme, and in 2016 we extended the range of CPD activities to meet growing needs. More than 820 delegates took part in the new CPD Principal Designer Course, for example, enabling them to comply with the latest Construction Design and Management Regulations. There was much interest in the free CPD events we held through the RIBA CPD Providers Network, an industry-wide force of more than 550 organisations who now work with us. During the year we also prepared new guidance on the business case for ethical practice, which is so important for RIBA members working on projects throughout the world.

We pursued our absolute commitment to equality, diversity and inclusion in the profession and the broader construction industry. The work of championing diversity starts in schools where RIBA role models encourage pupils from all backgrounds to consider architecture as a career. We are acutely aware of the need for less costly ways into the profession for those who cannot afford to go straight through university. In 2016 we established a trailblazer employer group, led by Foster + Partners, to develop a Higher

“  
UK architecture has an unrivalled reputation around the world. Mutual recognition of qualifications opens the door to lucrative trade benefits.  
”

Apprenticeship standard for architecture. This could provide an alternative route to architectural qualification in the future, an initiative we believe the profession will welcome.

To improve engagement between the RIBA and different professional interests, ranging from climate change to professional ethics and business skills, we appointed a team of architects as ambassadors in ten key areas. One outcome has been greater representation of young people on the RIBA Council. After a presentation by the joint ambassadors for young architects, Albenata Atanassova and Vinesh Pomal, the Council agreed to increase the number of students and associates on the Council and create a specific Vice President role with a place on the RIBA Education Committee. International representation on the Council is also being restructured. These changes coincided with work to streamline the Council and reduce the number of members from 60 to up to 46.

## CELEBRATING GLOBAL ARCHITECTURE

We were delighted with the response to the launch of the RIBA International Prize, our new global award open to any qualified architect worldwide. The core principle of our Charter is the advancement of civil architecture, so we wanted the prize to celebrate an inspirational building that makes a significant contribution to society. We received more than 200 entries from around 50 countries, which is a terrific response, and we were very grateful to Lord Richard Rogers for chairing the grand jury with such rigour.

We also began preparations for the first RIBA International Week. Taking place in July 2017, the week aims to be a voice for optimism, internationalism and the sharing of ideas around the theme of the New Urban Agenda, the United Nation's global strategy on goals for sustainable development and housing over the coming two decades. The centrepiece of the week, our Change in the City conference, is a call to arms coupled with practical actions for architects and practices working in cities around the world.

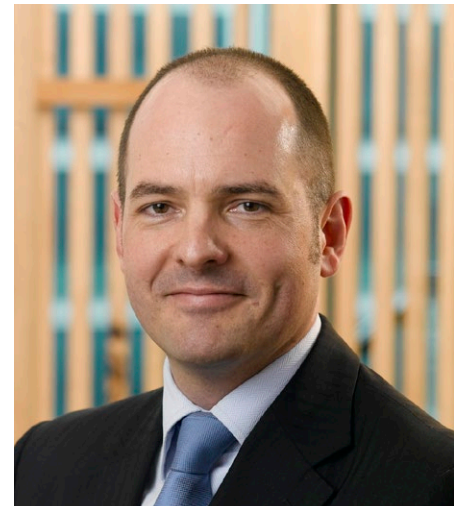
Those of us who are fortunate enough to work at the RIBA never forget that what matters above all is great architecture and great architects. We support and encourage those who will be great in the future and celebrate those who are great in our lifetime. With this thought in mind the sudden death of Dame Zaha Hadid at the end of March 2016 aged 65 came as a great shock to us all. Just a few weeks earlier we had presented her with the Royal Gold Medal for architecture in recognition of a lifetime's work. She was the first woman to be awarded the prestigious honour in her own right and we paid tribute to her role as a globally influential force in architecture. On receiving the award she had this to say: "Part of architecture's job is to make people feel good in the spaces where we live, go to school or where we work – so we must be committed to raising standards." These are sentiments with which the RIBA and all those who support our values will wholeheartedly agree. We will strive to uphold them in the years to come.



A handwritten signature in black ink that reads "Jane Duncan".

Jane Duncan, President

Jane Duncan's two-year presidential term started on 1 September 2015. Her successor, Ben Derbyshire officially became President-Elect on 1 September 2016 and will take over on 1 September 2017.



A handwritten signature in black ink that reads "Alan Vallance".

Alan Vallance, Chief Executive

Alan Vallance became Interim Chief Executive in February 2016 and took up the permanent role in September of the same year.

“  
Two thirds of  
new Chartered  
Members are now  
aged under 35  
”

We achieved a record 45% increase in the numbers of Chartered Members elected or readmitted to RIBA membership.



# Achieving Our Strategic Aims and Objectives in 2016

Measuring success is a fundamental part of our strategy for 2016–20, *Advancing Architecture*. We use detailed outcomes and measures to hold ourselves to account for delivery of the strategy and are also accountable to our membership and other key stakeholders for our performance. We are committed to communicating our progress openly and transparently at regular intervals through governance mechanisms including the RIBA Board and Council as well as directly to members.

Full details of all activities completed in 2016 and carried over for completion in 2017 can be found in the [RIBA Advancing Architecture Performance Report 2016](#).



# A Strong Profession

We will help our members engage with the challenges and opportunities of a changing world, lead and support the highest professional and ethical standards and facilitate collaboration, research and innovation. We will ensure that our profession thrives by attracting the best and most diverse talent with access to the education, knowledge and skills to succeed.

In a competitive world, keeping ethical values at the heart of our profession matters more than ever and it also makes good business sense. Fresh initiatives in 2016 included the development of our new guidance for members, *The UN Sustainable Development Goals in Practice*, ready for publication in 2017. We also updated *Working Internationally* to provide advice about positive action that RIBA members and Chartered Practices can take when working overseas to “uphold their basic responsibilities to people and the planet”. We incorporated inclusive design into our professional events including Guerrilla Tactics, Future Leaders and the CPD programme to ensure that everyone taking part knows how to make buildings accessible and welcoming to disabled people.

We took a leading part in founding a new group to respond to humanitarian crises and natural catastrophes throughout the world. The UK Built Environment Advisory Group (UKBEAG) combines the skills and expertise of more than 100,000 professionals in 150 countries to provide practical support to cope with the impact of floods, droughts, earthquakes and conflict situations.

We extended our help for members to engage with a changing world by ensuring they have access to the information, skills and technology they need to embrace digital opportunities. To assist with the adoption of Building Information Modelling (BIM), for example, we launched an online portal with detailed guidance to coincide with the requirement for BIM to be used on projects procured by central government departments. We also launched a new interactive Business Benchmarking tool to help Chartered Practices to identify their relative strengths and weaknesses.

We introduced the RIBA Small Project Plan of Work, meeting the demand from smaller practices for a simplified version of this core resource, appropriate for straightforward projects procured on a traditional basis.

In a development that will offer increased reassurance for clients, we developed a Code of Practice for RIBA Chartered Practices. This sets out the standards of professional conduct and practice required of them and also provides a complaints handling process.

The RIBA Client Liaison Group, which was set up to enhance our understanding of the client's experience of architects, launched the inaugural ‘Working with Architects’ client survey. A thousand clients took part and we published the results, providing valuable market intelligence for Chartered Practices to improve their client services. As a follow-up we established a new pilot initiative to introduce clients into nine schools of architecture, offering valuable insights for students.

We brought growing numbers of members and clients together through the Client Referral Service and Find an Architect, our online database, which enables prospective clients to search 3,400 accredited Chartered Practices by postcode, practice or project type. We managed 800 client referrals in 2016, totalling over £1bn in construction value, and the number of visits to Find an Architect increased by 6% to 1.7 million.

“  
Our continuing  
professional  
development  
(CPD)  
programme  
ensures architects  
and other  
construction  
professionals are  
up-to-date with  
core skills and  
competencies.  
We reached  
more architects  
than ever with  
the 2016 Core  
CPD programme.”





RIBA Competitions, which runs architectural competitions and competitive selection processes for clients, managed 18 competitions in 2016 with a combined construction cost of approximately £470m. Projects ranged from a Design Ideas Competition on behalf of the Government of Tristan da Cunha, the remotest inhabited island in the world, to the design for the Paul Marshall Building, the next major building project of the London School of Economics and Political Science (LSE). We published new competitions guidance for clients and for competition entrants.

#### SUPPORTING MEMBERS LOCALLY

The RIBA supports the profession throughout England and Wales through our branches in 11 English regions and the Royal Society of Architects in Wales (RSAW). We also have agreements with the Royal Incorporation of Architects in Scotland (RIAS) and the Royal Society of Ulster Architects (RSUA). Internationally we have a network of country ambassadors and overseas chapters in Hong Kong, the Gulf and the USA.

We provided seedcorn funding worth £90,000 for local activities to promote good architecture in England, Wales and

by our international chapters through the Local Initiative Fund (LIF). Among the year's most influential LIF projects was an event in Cardiff to think creatively about the development of the proposed South Wales Metro, which will be the largest transport infrastructure project to take place in the city region in a lifetime. More than 70 professionals and practitioners took part in the Metro Urban Density workshop, organised by the Design Circle RSAW South, to explore the benefits of potential sites for new stations.

In other notable LIF projects, RIBA Yorkshire supported the 2016 Sheffield Design Awards, celebrating the best in architecture, urban design and placemaking in the city, which attracted 26 entries. It was the first time the awards had been organised as a partnership between Sheffield Society of Architects and Sheffield Civic Trust. Nottingham & Derby Society of Architects organised a Design Challenge focused on a series of spaces within Nottingham's Lace Market. RIBA Suffolk produced a film to promote Chartered Practices within the county. The RIBA Exeter branch held a development event that brought together key city managers to talk about new and proposed legislation. RIBA Isle of Wight

The winning design in the Bespoke Access Design Competition, chosen in a selection process run by RIBA Competitions, was Motionspot & Ryder Architecture's 'AllGo' hotel room design system. The first of their kind, the Bespoke Access Awards aim to improve access for disabled people to hotels worldwide.



held the Design and Conservation Awards and Young Designer Awards at the Royal Yacht Squadron, Cowes.

We realigned the relationship between the RIBA and RSAW as a practical response to the next stage of Welsh devolution. A dedicated budget was allocated to facilitate meaningful engagement in political and civic life and raise the profile and influence of architects in Wales.

Highlights of the year included the Wales Festival of Architecture, which returned to Aberystwyth with a programme across the country including talks, films, exhibitions and Meet the Architect events. RSAW co-hosted a St David's Day event as part of the Senedd 10 celebrations marking ten years of the home of the Welsh Assembly. One hundred and eighty people came to hear Lord Richard Rogers and Ivan Harbour in conversation with Menna Richards.

### TALENT FOR THE FUTURE

In 2016 we launched our National Schools & Young People's programme to bring teachers, children and architects together in joyful discovery of the value of architecture. By making, doing and debating, our young people gain the skills and confidence to help influence their

built environment. In 2016, over 120 of our members became Architecture Ambassadors, receiving RIBA-led CPD training to deliver hands-on cross-curriculum creative workshops for over 2000 children in schools across England. This exciting programme, generously supported by Rogers, Stirk Harbour + Partners and by other trusts and foundations, is helping to create a new generation of informed clients for good architecture while inspiring young talent from all backgrounds to breakdown perceived barriers and consider entry into the profession.

In an initiative that could significantly increase accessibility of the profession we supported a trailblazer group of employers led by Foster + Partners to develop a Higher Apprenticeship standard for architecture. This could provide an alternative route to architectural qualification at both degree and postgraduate level that would be more financially accessible for many young people. The group went on to submit an expression of interest to the UK Government in December 2016 with a view to developing the new standard in 2017. We also made proposals to the Architects Registration Board (ARB) for more flexible architectural education in

RIBA architecture ambassadors from DesignBox ran workshops for pupils at Hampton School, London. Credit: Paul Cochrane / RIBA, British Architectural Library.





the UK following implementation of the EU Professional Qualifications Directive.

We took steps to improve the representation of students, graduates and newly practising architects on the RIBA Council. The Council voted to appoint a Vice President for students and associates who will have a place on the Education Committee.

Our mentoring programme supports students in their early stages of career development. More than a work placement, this is a chance for Part 1 final-year students to gain a real insight into a practice with support from their own personal mentor and it is equally popular with mentors as well as mentees. Seventeen schools of architecture participated in 2016, with 460 Chartered Members and more than 900 students taking part. We also introduced a new online mentoring hub with guidance on setting up in-practice mentoring schemes and running speed-mentoring events.

In the UK, 280 candidates took part in our Part 3 course, the final stage of architectural qualification, and another

44 did so in Dubai and Hong Kong. We increased capacity to meet growing demand and made more than 100 visits to UK and international practices. In Dubai, Oman, Shanghai and Hong Kong we gave presentations to more than 175 students to discuss routes to RIBA membership.

Our continuing professional development (CPD) programme ensures architects and other construction professionals are up-to-date with core skills and competencies. In 2016 we reached more architects than ever with the Core CPD programme. More than 4,400 delegates attended 140 half-day events across England. Following a successful pilot programme in 2015 we held the RIBA Principal Designer Course in 16 regional locations and 17 practices, attended by more than 820 delegates. This course was developed in response to the Health and Safety Executive's Construction (Design and Management) Regulations 2015 (CDM 2015), and the newly created Principal Designer role. After a successful pilot in York, we also extended the new Advanced Conservation Course nationally and 88 delegates took part.

RIBA Hong Kong's TALK! 2016 event provided an opportunity for an evening of lively debate with local and international architects and professionals. Credit: Merci Media.

We continued to develop the RIBA CPD Providers Network in partnership with RIBA Enterprises, which generated an 18.5% increase in income and 80 new contracts with an 82% renewal rate. Network Providers offered around 4,200 free CPD events, attended by approximately 34,000 delegates. By the end of the year 1,300 pieces of RIBA-assessed CPD were available.

The Future Leaders programme delivered leadership training from thought leaders and technical specialists to up-and-coming talent in architectural practices. Take-up was enthusiastic, with 235 delegates attending three seminars on topics of social purpose, improving outcomes and future-proofing businesses. 'Future Forward' was the theme of the Smart Practice Conference in Nottingham, where Patrik Schumacher, Partner of Zaha Hadid Architects, gave an insider's view of how he is steering the practice forward after the sudden death of its founder while optimising potential business worldwide.

The RIBA is globally respected for professional validation of schools of architecture. We built on this reputation by completing international visiting boards to schools of architecture in Abu Dhabi, Azerbaijan, Chile, China, Columbia, Greece, Malaysia, South Korea and Sri Lanka.

### INTERNATIONAL OPPORTUNITIES

With the Arabian Gulf now the place where the UK profession exports most of its services, we highlighted opportunities at a special seminar, Arabian Gulf: Lands of Opportunity, in collaboration with UK Trade and Investment and the RIBA Gulf Chapter. We followed this well-attended event with a trade mission visit to Dubai and Qatar. The Gulf Chapter joined the British Council for an exhibition and discussion on the theme of 'The Open City' for Dubai Design Week. During her visit to the Gulf, RIBA President Jane Duncan attended the Cityscape Global exhibition in Dubai where the RIBA had a stand. She also travelled to Oman where she met young architects participating in the RIBA Part 3 course, the highest number in the Middle East.

The Hong Kong Chapter ran a programme of activities supporting members, in collaboration with the Hong Kong Institute of Architects. Highlights included the SHOP! EAT! TALK! series of installations, exhibitions and talks with local and international architects. For the CELEBRATE! Christmas event the Chapter held a design competition for professional, student and amateur architects to design decorative light installations.

We brought growing numbers of members and clients together through Find an Architect, our online database. Total visits increased by 6% to 1.7 million. We managed 800 client referrals, totalling over £1 billion in construction value.

## Aims for 2017

**Promote** the new Code of Practice for Chartered Practices and raise awareness with clients, upholding the highest standards of professional performance

**Support** an employer-led Trailblazer group in establishing an apprenticeship standard for architecture, promoting a more inclusive profession

**Host** a series of engaging and thought provoking debates and an international conference, facilitating discussion on issues impacting the architectural profession

**Establish** new RIBA international chapters in Singapore and Sri Lanka, enhancing local support to our international members

**Publish** guidance for members on 'ethical practice', helping architects to navigate the complexities of contemporary practice in a globalising profession

**Bring together** key national and international speakers and experts to support our members by way of a host of activities responding to the New Urban Agenda in our International Week in July

# A Strong Voice

We will ensure that architecture and architects are better understood and valued by clients, policymakers, the media, the public and a growing network of supporters. We will do this through advocacy and engagement based on our collections, cultural programmes, evidence base and the expertise of architects.

The RIBA's role as a strong voice for architects and architecture came to the fore in a year when so much of the news was dominated by the impact of the UK referendum vote. Chief Executive Alan Vallance and President Jane Duncan met with government ministers and senior officials and submitted evidence to Parliament to discuss ways forward for the UK's architectural sector.

We focused our efforts on championing our members, helping them to adapt to the new environment and ensuring that the UK remains an attractive place to do business. In leading the debate we are working closely with our colleagues in the RIAS, RSUA and RSAW, the Architects Council of Europe, other professional institutes and key industry stakeholders. We also played an important role to represent EU architects working in the UK, who number approximately 24% of registered architects. In dialogue we benefited from being part of the Creative Industries Council, a joint forum between the creative industries and government. We also worked closely in partnership with fellow professional bodies representing the construction and built environment sectors, including the Royal Institution of Chartered Surveyors (RICS), the Chartered Institute of Building (CIOB) and the Royal Town Planning Institute (RTPI).

In the immediate aftermath of the referendum vote we produced a policy briefing that outlined key challenges and opportunities for architects and the built environment, and the policy recommendations needed to address them. Among the issues we highlighted were the need to retain the free movement of skills and services post-Brexit and mutual recognition of professional qualifications, which also offers important trade benefits for the UK. Mutual recognition was subsequently

included in the Government's White Paper on the UK's exit from, and new partnership with, the European Union.

A survey among our membership in December 2016 gathered evidence on the impact of the Brexit vote on architects and how they had responded. More than 60% reported delayed work and 37% had experienced project cancellations. However the profession regarded expansion as the best response: 20% hoped to expand abroad and the domestic market remained strong.

#### INFORMING IMPORTANT DECISIONS

We worked closely with our members throughout the year and ensured their voices were heard clearly on a range of key issues. In addition to Brexit, we responded to major policy consultations on topics including housing, planning and sustainability. Having a seat at the table enabled us to inform important decisions being made by Parliament and local authorities on matters that directly affect the profession and the quality of the built environment.

Our new report into the state of school buildings in the UK, *Better Spaces for Learning*, was widely reported in the media. It revealed that too many current buildings are failing children and teachers by being dangerous and dilapidated, poorly built and wasteful. Based on the largest-ever analysis of primary and

“  
We highlighted  
the need to  
retain the free  
movement  
of skills and  
services post-  
Brexit and mutual  
recognition of  
professional  
qualifications.  
”



secondary schools, a nationwide poll of teachers and extensive engagement with school buildings experts, the report made the case for an urgent review of the Education Funding Agency's school building programme. The report had a clear impact on policy development. The agency set up a new design panel, chaired by RIBA's Vice President for Practice Caroline Buckingham, and the National Audit Office launched a review into the school building programme.

We published a major report on devolution from a housing and planning perspective in partnership with IPPR North, the Institute for Public Policy Research's dedicated thinktank for the north of England. The *Closer to Home* report argued that the new 'metro mayors' who will take charge in Greater Manchester, the West Midlands and Liverpool City region will need to be given significant powers over housing and planning if the Government is to meet its target of building a million new homes.

Also supporting the delivery of more good quality UK homes, we contributed to the work of the All-Party Parliamentary Group for Housing and Planning led by the Royal Institution of Chartered Surveyors. We led the design quality stream jointly with the National House Building Council.

We published a new set of short policy briefings on priority topics such as ways to solve the housing crisis.

We directly promoted RIBA Chartered Practices at eight client shows such as

MIPIM and Grand Designs Live, where Kevin McCloud launched the 'Working with Architects' client survey.

Recognising the importance of our links with other international architectural bodies, we strengthened our relationships with senior policymakers in the Architects' Council of Europe (ACE), L'Union Internationale des Architectes (UIA) and the Commonwealth Association of Architects (CAA), of which the RIBA is a member. We also attended the annual convention of the American Institute of Architects (AIA) and welcomed colleagues from the AIA for three days in the UK.

We contributed to the strategic review of the Construction Industry Council, which brings together the UK's built environment professions. Internationally, we supported the development of standards for the built environment in Oman.

We supported university-based research through our research grants programme, which allocated funding worth £100,000 in 2016. Three of the four recipients of RIBA Research Trust Awards were based in Chartered Practices, highlighting the value of encouraging our members to collaborate on innovative research. Our annual Research Matters conference provided a platform for researchers to present their work and we held six events in our Perspectives on Architecture series, showcasing the range of architectural research supported by the RIBA and offering an informal opportunity to discuss a wide range of work.

“  
We introduced  
the inaugural  
RIBA International  
Prize for the  
most significant  
and inspirational  
new building  
in the world  
and received  
entries from  
50 countries.  
”



## INTRODUCING NEW AWARDS

RIBA Awards attracted more attention than ever to the celebration of architectural excellence not just in the UK but globally. This was the year when we introduced the RIBA International Prize for the most significant and inspirational building in the world, setting a new international standard for architectural achievement. We also introduced our first Emerging Architect award, which was open to members and non-members in practices whose founding partners are aged under 40.

In the UK our awards celebrate architecture at every level throughout the country. Winners of RIBA Regional Awards become eligible for the RIBA National Awards and those that are successful nationally are shortlisted for the highest accolade, the RIBA Stirling Prize.

In 2016 the 46 UK national winners ranged from a children's hospital in

Liverpool with a striking, undulating grass roof (Alder Hey Children's Hospital) to an inspiring development of 76 new homes in pastoral Essex (The Avenue). A clear trend was the ambitious use of architecture by universities and colleges, with 11 of the winning projects in this category. Among them was the RIBA Stirling Prize shortlisted City of Glasgow College, Riverside Campus by Michael Laird Architects/Reiach and Hall Architects, which also won the RIAS Award 2016 and the RIBA Award for Scotland 2016.

The winner of the 21st RIBA Stirling Prize was Newport Street Gallery, a free public gallery for artist Damien Hirst's private art collection. Caruso St John Architects transformed three listed Victorian theatre workshops and flanked them with new buildings, one with a striking, spiky sawtooth roof. The judges praised the approach to conservation as "irreverent

Caruso St John Architects won the 21st RIBA Stirling Prize for Newport Street Gallery, a free public gallery for artist Damien Hirst's private art collection, praised as "a poetic juxtaposition of old and new." Credit: H el ene Binet.





yet sensitive” and expressing “a poetic juxtaposition of old and new”.

Also announced at the presentation ceremony at 66 Portland Place was the winner of the 2016 Stephen Lawrence Prize, awarded to Tsuruta Architects for House of Trace, a beautiful and unconventional extension to a London terraced house.

We expanded Great British Buildings, our national programme of talks that takes people behind the scenes for an exclusive look at buildings that have won RIBA Regional Awards and to hear the winning architects talk about what inspired them. The programme was more popular than ever. We held 41 of the events in 2016, up from 32 in 2015, and all were sold out.

It was another successful year for our partnerships with leading media organisations, which now play such an important part in raising public awareness and appreciation of architecture and our members. The BBC joined us for the fourth time in covering the RIBA Stirling Prize. The BBC News website profiled each of the six shortlisted buildings and tens of thousands of viewers took part in a vote for their favourite one. BBC News

reported the announcement of the winner by the RIBA Stirling Prize judges.

On Channel 4, *Grand Designs* presenter Kevin McCloud visited contenders for RIBA House of the Year in a special four-part series of the programme, watched by an average of 1.7 million viewers per episode.

We were grateful once again to *The Architects' Journal* for being our media partner for the RIBA Awards, including the Stephen Lawrence Prize, and professional media partner for the RIBA Stirling Prize, sponsored by Almacantar.

#### GLOBAL INTEREST

We achieved global coverage when CNN Style, Wallpaper and Dezeen joined us as media partners for the RIBA International Prize, which was open to both members and non-members globally. There was a great deal of interest in the new prize. We received entries from around 50 countries and the presentation event at 66 Portland Place was sold out. The winner, the UTEC building for the specialist engineering university in Lima, Peru, created by Grafton Architects, was described as “an exceptional example of civil architecture with people at its heart”.

The RIBA South West Project of the Year, Outhouse by Loyn & Co – also shortlisted for the RIBA Stirling Prize – was the subject of the Great British Buildings talk by principal architect Chris Loyn. Credit: Charles Hosea.



International attention also focused on the RIBA President's Medals and the RIBA President's Awards for Research. Widely regarded as the most prestigious student awards in architectural education, the President's Medals are awarded annually to students nominated by schools of architecture worldwide. Our travelling exhibition of the winners visited 11 countries – Bahrain, Colombia, Egypt, France, India, Lebanon, New Zealand, Oman, Saudi Arabia, Serbia and the United Arab Emirates.

In 2016 we relaunched the President's Awards for Research to introduce four judging categories. We received a record 75 entries from 14 countries, including a big increase in submissions from practices. The winner of the RIBA President's Medal for Research was a remarkable collaborative project in Eritrea between the Bartlett School of Architecture and Asmara Heritage Project. Their proposal, Asmara – Africa's Modernist City, is the basis of a successful application to inscribe Asmara as a UNESCO World Heritage Site. We published a Book of Abstracts of the award submissions for the first time and this is available online.

We launched a new international collaborative design project, Polyark 4, marking 50 years since the influential English architect Cedric Price put forward his idea for a network of architecture students from different schools. Thirty international schools, practices and other partners agreed to take part.

#### PUBLIC OUTREACH

Our public programme of exhibitions, talks and events brought architecture to a wide audience. The 2016 programme was critically well received and we attracted more than 100,000 visitors to exhibitions and associated events at 66 Portland Place.

A link with BBC Four enriched one of the highlights of the exhibition programme, *At Home in Britain: Designing the House of Tomorrow*. The exhibition showcased thought-provoking ideas from architectural practices from the UK, France and the Netherlands. Coinciding with the exhibition, the three-part BBC Four series *Dan Cruickshank: At Home with the British* explored the historical development of the British home from the terraces of Toxteth in Liverpool to the high-rise towers of Bow, East London

The winner of the RIBA President's Medal for Research was Asmara – Africa's Modernist City: UNESCO World Heritage Nomination, a collaboration between the Bartlett School of Architecture and Asmara Heritage Project. Credit: Edward Denison.





and the cottages of rural Stoneleigh in Warwickshire.

Also held in the Architecture Gallery at 66 Portland Place, the Creation from Catastrophe exhibition explored how architecture rebuilds communities in the aftermath of disasters, ranging from the Great Fire of London in 1666 to contemporary responses to earthquakes and tsunamis around the world.

It was the second year running for our artist-architect commission to create an exhibition for the Architecture Gallery. Multi-disciplinary artist Giles Round explored the RIBA Collections to create his exhibition, We Live in the Office, which focused on a ubiquitous architectural feature of the city: the façade.

In its seventh year, the RIBA Regent Street Windows Project paired talented RIBA architects with prominent retailers in the prestigious London street including Liberty, Armani Exchange and Kate Spade New York. Coinciding with the London Design Festival and London Fashion Week it is estimated that the stunning shop window designs were seen by more than one million people each week.

Outside London, we ran more than 50 scheduled architectural tours as part of the RIBA Liverpool City Tours programme and 32 tours for private groups, attracting more than 1,400 visitors from the UK and overseas. We were unable to hold the inaugural public exhibition at RIBA North in 2016 as planned, due to delayed handover by the contractor. We developed a programme of cultural activity to coincide with Hull City of Culture events in 2017. Among the highlights we are supporting are the intriguing 'Look Up' series of artworks made specifically for Hull's public places and spaces.

### SHARING OUR COLLECTIONS

A major focus of last year was Revealing the Collections, a project - including an extensive audience survey - designed to uncover the depth and richness of our collections, amongst the finest worldwide, and to better understand our users, existing and potential.

Mass digitisation of library content has always been a long term aim as we seek to increase the number and range of the 85,000 images already on RIBApix and in 2016 we developed proposals to

The exhibition At Home in Britain: Designing the House of Tomorrow showcased thought-provoking ideas from architectural practices from the UK, France and the Netherlands. Credit: Philip Vile.



digitise a further 50,000 items. We also launched our Rare Books Project, aided by generous grants from the American Friends of the British Architectural Library, and conservators assessed the condition of 1,600 of our rarest pre-1840 volumes.

Another development of great significance, in terms of opening up our collections, is our major project to relaunch [architecture.com](http://architecture.com) as a global digital platform. We completed the bulk of the technical work ready for the beta version of the website to go live in 2017. A key step in achieving a much higher global profile in line with our strategic objectives, this will make it easier than ever for the public and RIBA members to access our content.

### OUR LEARNING PROGRAMMES

Almost 9,500 people participated in learning programmes in London, Hull and elsewhere, a 70% increase on our 2015 figures. Portland Place was regularly abuzz with visitors of all ages

and backgrounds enjoying hands-on workshops, fun days, creative writing, drawing and photography classes and summer schools were held both on and offsite. 844 people attended Total Wipe Out, a free weekend family event in April. August saw people of all generations coming together for House Party, part of our Britain at Home season.

Our Young People's Forum became evermore established with a growing cohort of young volunteers who support the delivery of our wider programmes. The Learning Team joined forces with the Stephen Lawrence Charitable Trust's Building Futures initiative, enabling 15 young people to join a one-day workshop with Pakistan's renowned Yasmeeen Lari, at Cass School of Architecture. Great headway was made on plans for a new Learning Centre at 66 Portland Place. We are deeply indebted to the Clore Duffield Foundation, and to other trusts and foundations for their generous support with our programmes.

A young visitor enjoys our weekend House Party, part of our At Home in Britain season. She was one of nearly 9500 people to engage with our 2016 Learning programme. Credit: Paul Cochrane

## Aims for 2017

**Support** our members and the profession through Brexit negotiations by being at the table with government to ensure the issues that affect architects are represented and by collaborating with other built environment and creative industry bodies

**Take forward** the recommendations in our election manifesto Build a Global Britain with the new UK Government, political parties and opposition

**Maintain and strengthen** media partnerships for our awards and other initiatives to extend our national and international reach

**Launch** our second International Prize, opening for entries in July, to showcase, celebrate and be inspired by the best civic buildings outside the UK



# A Strong Organisation

We will grow our membership base and ensure that our business model supports our vision, purpose and strategy. Support and value our staff by working with them to develop better ways of recognising and rewarding contribution and, developing and embedding HR policy and guidance that reflects good employment practice and is aligned with our values.

“  
Maximising  
our utilisation  
of resources  
will help us to  
offer the best  
possible value to  
members with  
more exclusive  
benefits.”

Striving for excellence underpinned our operational activity in 2016. We took far reaching steps to strengthen the RIBA as an organisation and enhance member value in order to achieve the objectives in our strategic plan. By the end of the year we had implemented a much clearer business planning process and had a tighter grip of our financial situation, including costing and pricing, budgeting and forecasting.

We established a new framework and mechanisms for collecting and reporting financial information. For the first time we produced a service catalogue, which provides a detailed breakdown of the cost and pricing of our products and services for members and other stakeholders. A blueprint for future development, the service catalogue will make it possible to deliver products and services in a way that is fully joined up and effective. Maximising our utilisation of resources will help us to offer the best possible value to members, with more exclusive benefits.

Detailed financial analysis clarified how we currently generate and spend our money. It confirmed the extent to which cultural activities are dependent on commercial income, principally from our trading subsidiary RIBA Enterprises and to a lesser extent from RIBA Venues at 66 Portland Place and our fledgling RIBA Financial Services business based at RIBA North in Liverpool. The analysis will help us to maintain both cultural and membership activities in a way that is financially sustainable.

We developed a new 10-year financial model which provides a much longer term view of our financial position and will enable us to take early decisions in response to future trends. We also set up a system of quarterly financial forecasts

to improve planning and control. Budget holders are responsible for feeding in information so we can make the necessary adjustments. This helped us to end a relatively tight financial year close to the forecast £20k surplus.

We implemented a much clearer business planning process to deliver the strategic objectives in our five year strategic plan, *Advancing Architecture*. The 2016 business plan identified 115 key activities over and above business as usual. Of these, we completed 65 (57%), with 41 (36%) partly completed and rolled over for completion in early to mid-2017 and nine tasks (7%) not actioned. We achieved these results despite challenges with our IT infrastructure, resulting from previous underinvestment, and the impact of the Brexit referendum.

We ensured that all of our staff have a clear set of objectives aligned to the business plan and benchmarked everyone's jobs to create a new pay structure, which is being introduced in 2017. We held conversations with staff across the organisation and members of the executive team and RIBA Board about how we work together. This has informed a set of RIBA Values, designed to create a culture where people work collaboratively, are trusted and able to decide how to achieve great results.



# Be outstanding Be RIBA

Everything you need to know about  
renewing your membership  
[architecture.com/RIBA/MemberLogin](http://architecture.com/RIBA/MemberLogin)

RIBA   
Architecture.com

Following the launch of the Be RIBA recruitment campaign we achieved a record 45% net increase of more than 800 Chartered Members and a 70% increase in new student members.

## RECRUITING NEW MEMBERS

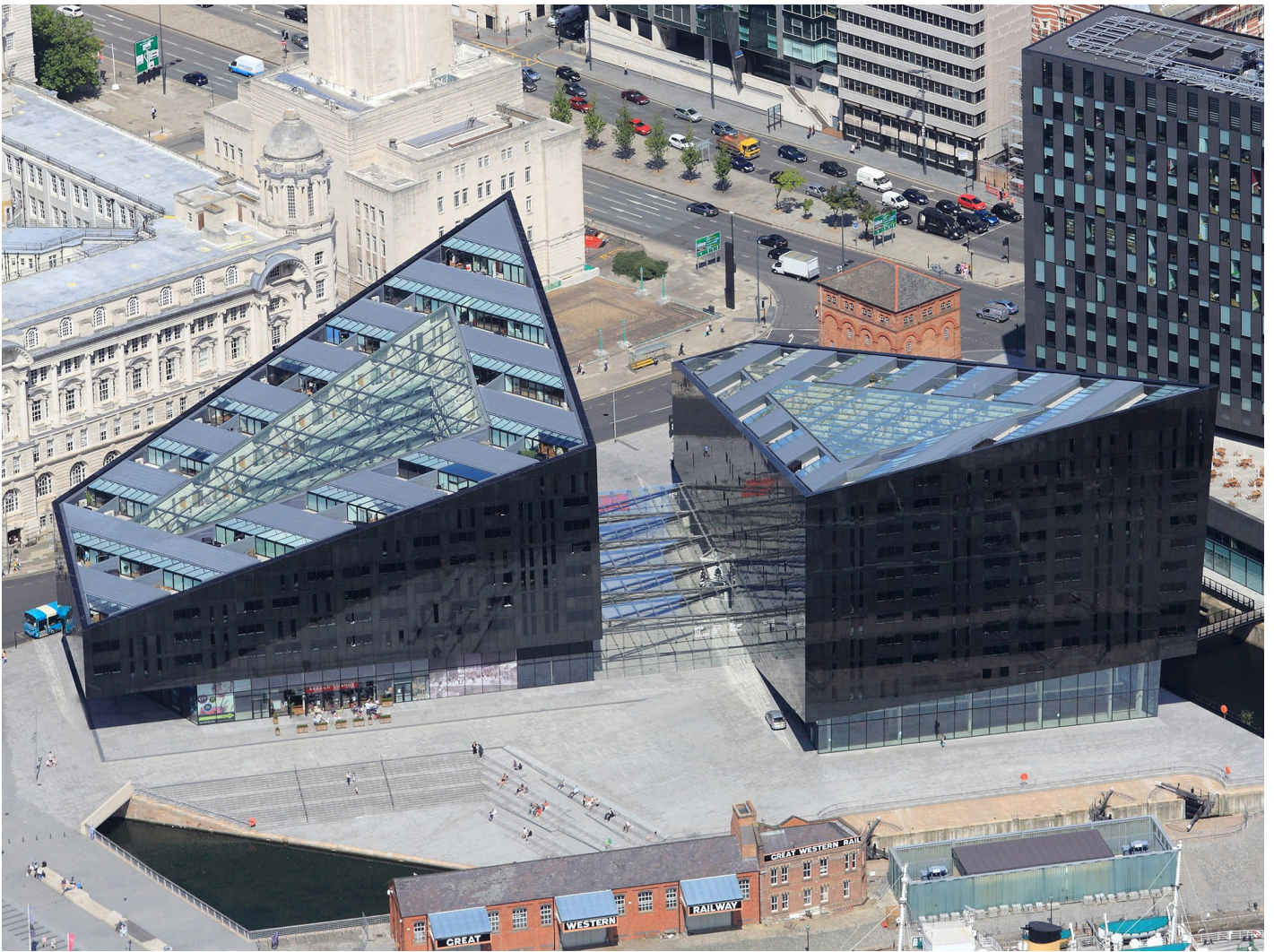
As well as adding value for our existing membership we focused attention on recruitment of new members in line with our strategic plan, and the outcome was encouraging.

The Be RIBA recruitment campaign communicates everything that we offer under six clear headings – ‘Be Outstanding’, ‘Be Informed’, ‘Be Represented’, ‘Be Supported’, ‘Be Inspired’ and ‘Be Connected’. We rolled out the campaign to 6,500 potential new members as well as our existing membership. Recruitment

of Chartered Members elected or readmitted to membership subsequently increased by a record 45%, resulting in a net increase of 806 Chartered Members in 2016.

Engagement with practices by regional teams and other recruitment activities helped to achieve a net growth of 193 Chartered Practices. We promoted the benefits of enhanced services such as the new interactive RIBA Business Benchmarking survey and the Find an Architect service.





The number of new student members jumped by 70% to 2,461. A valuable contribution was made by the work of our regional teams to promote membership in schools of architecture.

During the year the number of EU-qualified architects joining grew by 153% following changes to eligibility criteria approved by the RIBA Council.

We launched the new category of RIBA Fellow membership, recognising Chartered Members who have made a significant contribution to architecture. We received 71 applications and elected 30 Fellows, of whom half are based outside the UK. The diversity of these inspirational architects and their geographical spread across the world is an added bonus as they will be ambassadors for the profession and the RIBA community.

In the key Gulf markets of Dubai and Oman we encouraged interest in applying

for RIBA Chartered Membership through the Membership Eligibility Assessment Panel (MEAP), a panel of prominent academics and practitioners who assess applications from international architects and academics. We held workshops and visited offices across the Gulf to promote the MEAP access course and received 110 expressions of interest in RIBA membership.

#### DIGITAL LAUNCHPAD

We made it quicker and simpler to access online services such as membership renewal leading up to the launch of the RIBA's new architecture.com website in May 2017. We also began work to introduce a much simpler and efficient way of running the website, with a single hosting contract, one content management system, and one way of submitting, quality-assuring and publishing content. This transformational approach, involving the whole business, will introduce a whole new way of

Our new national architecture centre on the Liverpool waterfront, RIBA North will champion architects, architecture and good design for our members and the public. Credit: Webbavation.co.uk.

developing, publishing and maintaining content. It will provide a digital launchpad for future developments such as online streaming of events and conferences that will underpin the RIBA's future as a global membership organisation.

Upgrading our ICT infrastructure went ahead to provide security and business continuity, data backup and disaster recovery, work that continues in 2017. We made fundamental improvements to our wifi and telephony networks at all RIBA sites so that staff everywhere can operate efficiently and effectively.

We continued to develop our portfolio of high quality financial services products to support members and Chartered Practices. By the end of the year 400 practices had signed up to the RIBA Pension, our auto-enrolment pension solution tailored to architects' practices. RIBA Financial Services won Best New Business Partner in the Sage UK 2016 Annual Business Partner Awards and the RIBA Pension was shortlisted for DC Pension Scheme of the Year (for firms with under 5,000 staff) by Professional Pensions.

The RIBA Commercial Directorate made a growing contribution to our finances in 2016. It is responsible for RIBA CPD, RIBA Financial Services, RIBA Part 3, RIBA Venues and RIBA North, our new national architecture centre on the waterfront

in Liverpool. Total income amounted to £3.3 million, which generated a surplus of £1.7 million.

RIBA Venues, our conference and events arm, appointed a new head of Venues from the Royal Opera House and we developed our relationship with our catering supplier, Harbour & Jones. In a successful year we held 853 commercial events, attended by more than 100,000 people. Clients included fashion brands Armani and Hermes, financial institutions and charities. We provided facilities for a wide variety of events ranging from BBC film drama and Vogue photoshoots to 16 weddings.

Staff from our North West regional office, Financial Services, Part 3 and CPD teams moved to their new offices in RIBA North. Our biggest capital project outside London, the centre will be open to members and the public with facilities for exhibitions, talks and tours as well as a café and shop. The first exhibition, Liverpool(e): Mover Shaker Architectural Risk-Taker, opening in the summer of 2017, includes items from the RIBA Collections never previously displayed to the public.

Consultation over the future of our historic headquarters building at 66 Portland Place was completed and our adviser Sarah Williams reported the findings to Council.

“  
We made it  
quicker and  
simpler to  
access online  
services such  
as membership  
renewal leading  
up to the launch  
of the new RIBA  
website in 2017.  
”

## Aims for 2017

**Deliver** a new website that better supports our members by allowing them to join, renew and access member-only content more easily, and which also promotes our activities and ideals to a public audience

**Continue** our BeRIBA membership renewal and retention campaign so that we can better support our members and grow our membership in the UK and internationally

**Open** RIBA North – our new National Architecture Centre on the Waterfront in Liverpool – a dedicated space for our members and the public reinforcing our dedication to architects and architecture across the UK

**Support and value** our staff by working with them to develop better ways of recognising and rewarding contribution, and developing and embedding HR policy and guidance that reflects good employment practice and is aligned with our values

Section Two

# RIBA Enterprises

2



RIBA Enterprises is the RIBA's knowledge management business. It is a wholly owned subsidiary whose role is to profitably develop and deliver expert knowledge, specialist software and services to support the construction industry. It does this under two different brands, NBS and RIBA. NBS is leading the introduction of Building Information Modelling (BIM), product information services and knowledge tools. RIBA products include the RIBA Journal and other services widely used by RIBA members and others.



RIBA Enterprises' financial performance improved once again in 2016. It was our best-ever year, with revenue in excess of £24m and profit of just under £4m. A key factor was reinvestment in the business and its positioning through the NBS and RIBA brands.

International expansion of NBS in two continents began with preparations to open NBS Knowledge Pty Ltd in Australia and acquire Digicon Information Inc in Canada.

NBS is at the forefront of the global development of Building Information Modelling (BIM) together with product information services delivered to specifiers on behalf of construction product manufacturers. It also provides links to the Construction Information Service, a joint venture with IHS Markit.

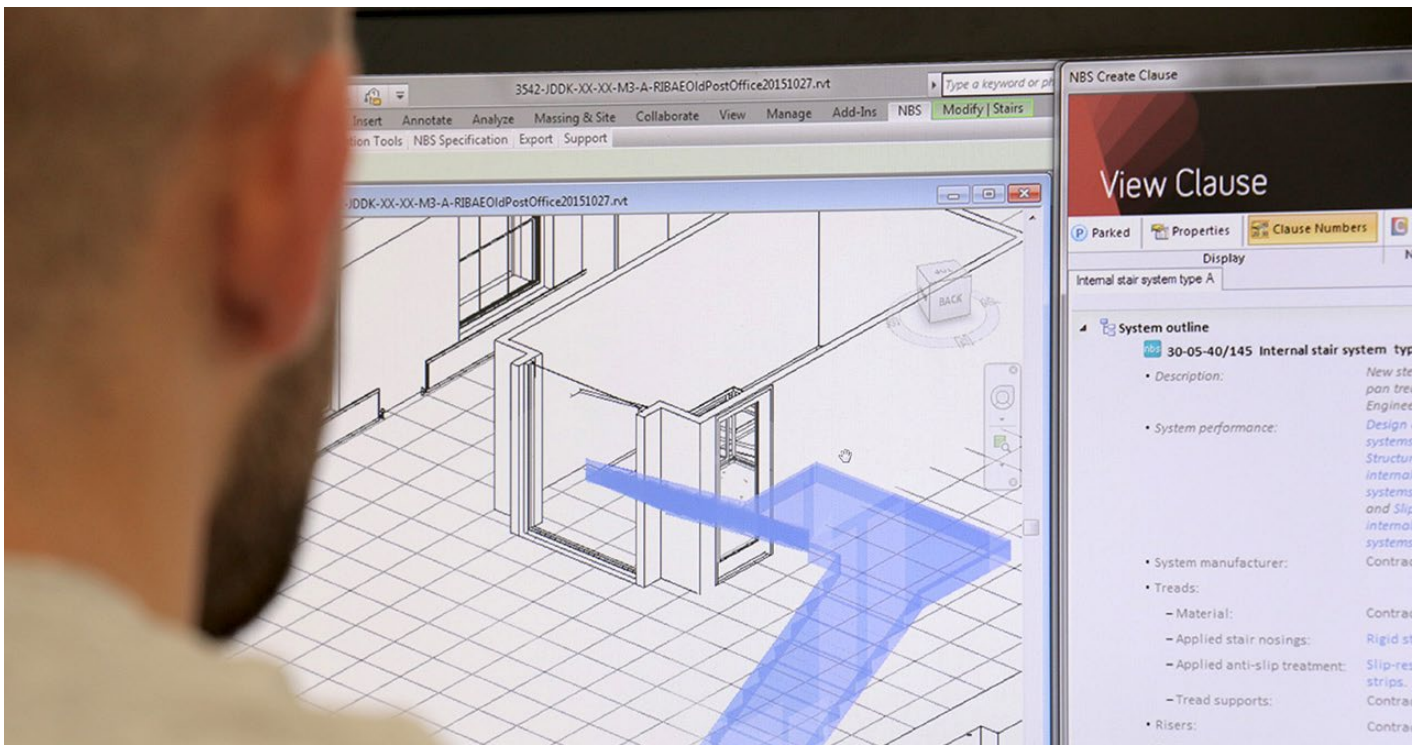
Expertise in BIM contributed significantly to this year's commercial success in a year when the UK Government introduced BIM requirements for public sector construction suppliers. BIM is a process for creating and managing information collaboratively throughout the lifetime of a construction project.

NBS provides a range of market-leading BIM products and services including NBS Create specification software, the NBS BIM Toolkit, a free-to-use toolkit for public and private sector construction projects, and the National BIM Library, which is the largest serving the UK construction industry, hosting thousands of generic and proprietary BIM objects.

The award-winning NBS National BIM Library maintained its record growth and take-up of NBS Create also grew strongly. More than 5,000 offices across the UK now subscribe to NBS products, including 96 of the AJ100, *Architects' Journal's* list of the top 100 practices.

We achieved a significant increase in customer engagement by understanding and targeting customers with the right products and services to meet their needs.

The redevelopment of our Newcastle base, the headquarters of NBS, was completed successfully and shortlisted for a number of awards. The £5.8 million refurbishment of the Grade II listed Old Post Office building has transformed accommodation for our NBS colleagues and also provides space for other local businesses together with a public gallery, exhibition space and lecture theatre. The project demonstrated the practical application of NBS BIM services and tools, which have helped to make it cheaper to own the building than to rent it.



## JOINT VENTURES AND INTERNATIONAL EXPANSION

Autodesk, a leader in 3D software, announced NBS as its first solutions partner in the UK. NBS and Autodesk are collaborating in building the next generation of information and knowledge management solutions. Linking data, geometry and tools will simplify decision making for architects, surveyors and engineers, saving time and money.

It was another successful year for our joint venture with IHS Markit to deliver the Construction Information Service, a comprehensive online portal of information for the construction industry. Investment in a new version of the software in 2015 resulted in improved usage and satisfaction across the customer base.

Graphisoft adopted the NBS BIM Object Standard in a new tool for their industry-leading ARCHICAD software, a move that was regarded as a significant boost for

the NBS standard both nationally and internationally.

We embarked on an ambitious international expansion programme to extend our presence in two continents in response to customer demand. Applying our expertise in BIM and tailoring it to suit local markets is a key part of this process, which will foster our future growth and also reduce our reliance on the ups and downs of the UK construction industry. We completed arrangements to open a subsidiary in Australia, NBS Knowledge Pty Ltd, and acquire Digicon Information Inc, a well-established Canadian publication and consulting company that provides specification data, software and BIM tools in Canada and North America. As well as meeting demand from the local construction industry these international investments will enable us to meet the demand from UK customers for support in these important markets in the years to come.

More construction industry professionals than ever used NBS Create specification software for BIM projects.

Financial performance improved once again in 2016. It was our best-ever year, with revenue in excess of £24m and profit of just under £4m





The successful £5.8m redevelopment of the NBS head office at the Grade II listed Old Post Office building in Newcastle demonstrated the value of NBS BIM services and tools. Credit: The Bigger Picture Agency Ltd.

### ENHANCING VALUE OF RIBA SERVICES

The RIBA Services business, which includes the RIBA Journal, the RIBA Bookshop, RIBA Publishing and RIBA Appointments, made a strong overall contribution to our results.

RIBA Publishing re-secured the contract to publish UK Building Regulations on behalf of the Government. Among the year's new titles were *Contemporary Vernacular Design: How British Housing Can Rediscover its Soul* and *How Buildings Work*, a guide to the physics of buildings for construction professionals.

Our recruitment business, RIBA Appointments, suffered from the fall in business confidence in the immediate aftermath of the Brexit vote but recovered towards the end of 2016.

In December we took the decision to transfer the RIBA Services business back to the RIBA and scheduled the move to take place during 2017. Future development of the businesses will allow the RIBA to focus on enhancing value to members of these services both in the UK and internationally.

We embarked on an ambitious international expansion programme to extend our presence in two continents, applying our expertise in Building Information Modelling.



# Financial Review

The purpose of this financial review is to assist readers with interpreting the Financial Statements presented later (see pages 52 to 78), the format of which is as specified by the accounting Statement of Recommended Practice (“SORP”) used by charities. To supplement this, the information presented in bold are headings used in the Consolidated Statement of Financial Activities (the “SOFA”) shown on page 52.

Our income

£42.3m

Up £4.1m

Our expenditure

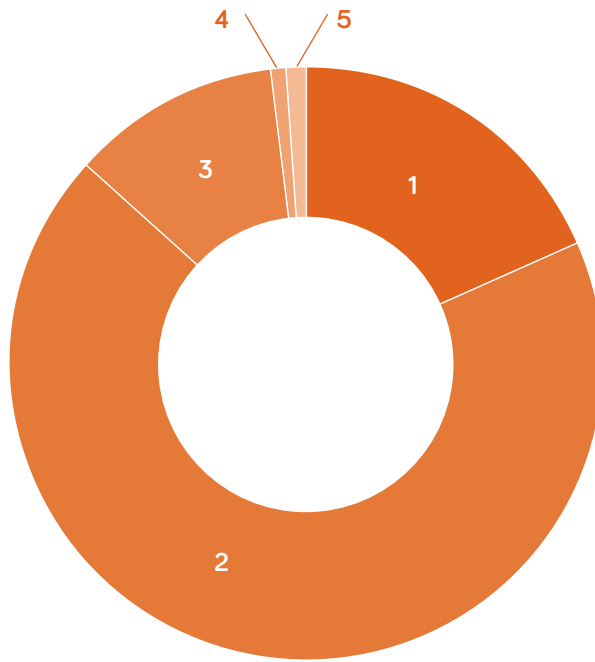
£41.5m

Up £2.6m

Total income

£42.3m

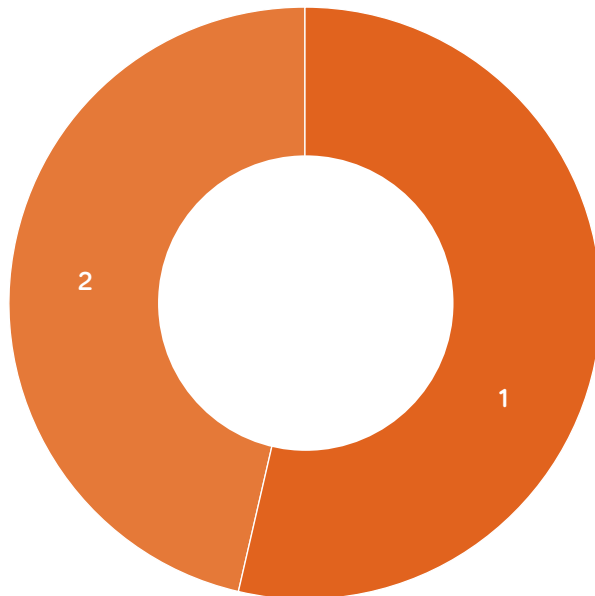
- 1. Subscriptions  
£7.8m
- 2. Trading  
£28.9m
- 3. Strategic Aims (Pillars)  
£4.8m
- 4. Donations  
£0.4m
- 5. Interest and Dividends  
£0.4m



Total expenditure

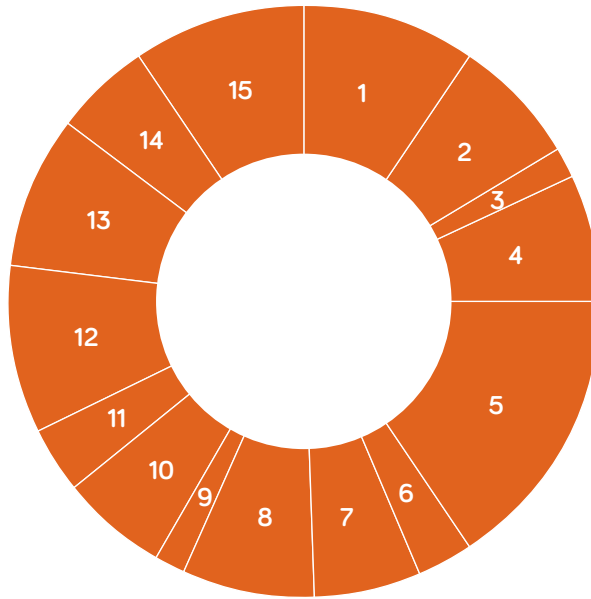
£41.5m

- 1. Total Costs of Generating Funds  
£22.3m
- 2. Total Charitable Expenditure  
£19.2m



Expenditure on Charitable activities, like income, is allocated to one of the three main strategic priorities (pillars), within the Strategic Plan (Advancing Architecture 2016-2020). The chart below shows more specifically where the money (£19.2 million) has been spent.

## Charitable expenditure £19.2m



1. Premises and Facilities  
£1,868k

2. Depreciation  
£1,328k

3. Governance  
£321k

4. President and Group Executive  
£1,316k

5. Finance, HR and ICT  
£3,021k

6. Development  
£550k

7. Membership  
£1,132k

8. Practice and Profession  
£1,416k

9. International  
£283k

10. Communications, Policy and Public Affairs  
£1,164k

11. Client Services  
£695k

12. Library  
£1,733k

13. Education and Research  
£1,622k

14. Celebration of Good Architecture  
£1,027k

15. Network of Offices  
£1,765k



## Financial Review

### OUR INCOME (i.e. WHERE OUR MONEY COMES FROM)

The RIBA is a charity, it is a membership organisation and it has strong commercial businesses in RIBA Enterprises Ltd and in its Venues business. As such, it has wide-ranging streams of income, which performed well in 2016. This can be seen in the SOFA, which shows the RIBA received a **total income of £42.3 million** (2015: £38.2 million). This figure represents all of the monies received before allowing for any costs incurred to generate the income, also known as 'gross income'.

Of this total income, **£7.8 million came from membership subscriptions** (+4% from 2015) and **£28.9 million from other trading activities** (+6% from 2015), which is mainly income generated by both RIBA Enterprises Ltd ("Enterprises") and by the Venues business based in our Headquarters at 66 Portland Place. These two sources of income (subscriptions and trading) account for £36.7 million or 87% of Total income. As these are consolidated Financial Statements, all intra-group trading and balances are eliminated.

Despite competitive activity in the market increasing significantly throughout the year, Enterprises achieved income of £24.3 million (+4% or +£0.9 million v 2015), with a similar increase in turnover after deducting intra-group sales (which are always excluded from the consolidated accounts because these show the overall position of the RIBA Group's relationship with the outside world). The RIBA Venues business is derived from the letting of rooms and from the supply of food and beverages.

Other **charitable activities** (i.e. other than subscription income) generated £4.8 million (2015: £4.1 million). This income has been allocated to one of the three strategic priorities of the Institute – a **strong profession**, a **strong voice** and a **strong organisation**. These strategic priorities are discussed earlier in the report, but examples of income in respect of each of these are below.

- Profession – competitions and publications, Continuing Professional Development (CPD) courses and RIBA Chartered Practice.
- Voice – talks and lectures, architecture festivals, design reviews and the Awards programme, RIBApix sales and royalty income.

**Donations and legacies** generated £0.5 million (2015: £0.4 million) and **investment income** (interest received and dividends) of £0.4 million (2015: £0.4 million).

The 2015 comparatives include an Exceptional item on trading activities (£1.5 million negative income) which was a previously received VAT refund repaid to HMRC.

### OUR EXPENDITURE (i.e. HOW WE SPEND OUR MONEY)

**Total expenditure** during the year was £41.5 million (2015: £38.9 million), an increase of 7% and consists of two main areas: **raising funds** of £21.9 million (2015: £20.7 million) and **charitable activities** of £19.2 million (2015: £17.7 million).

Expenditure on **raising funds** is effectively the costs of running the RIBA's commercial operations which generate the associated income explained above. The most significant area of **trading expenditure** relates to Enterprises. The total profits of £5.2 million (2015: £3.7 million) generated by both Enterprises and RIBA 1834 Ltd were given to the RIBA by Gift Aid to support the wider charitable work of the RIBA.

Expenditure on **charitable activities**, like income, is allocated to one of the three strategic priorities. The chart on page 44 shows more specifically where the money (£19.2 million) has been spent.

### PENSION SCHEME FUNDING RESERVE

The RIBA operates a defined contribution pension scheme whereby it pays a percentage of employees' salaries into a pension scheme and has no further liability. However, historically, like many employers, it used to provide a defined benefit (or final salary) pension scheme (1974 Pension Scheme) to its employees, whereby the pension received relates to the number of years' service and the salary paid on leaving the company's employment. Although this latter scheme was closed to new employees in 1994 and now has no active members, it is subject to great volatility as demonstrated by the figures presented in the financial statements. The SOFA (page 52) includes a separate column to highlight the effects of this volatility and this shows a £2.5 million actuarial loss (2015: £2.9 million actuarial gain), increasing the overall deficit to £7.0 million (2015: £4.8 million deficit).

The Financial Reporting Standard (FRS102) governs some of the assumptions used and how the information is presented, in an attempt to take out any subjectivity in the numbers. However this is unnecessarily complex and valuations can fluctuate from year to year. The most important point to note is that every three years, the Trustees of the 1974 Pension Scheme reach an agreement with the RIBA Trustees on the valuation of the deficit, using a set of assumptions agreed by both parties and agree a contribution (or deficit funding) schedule. The last full triennial valuation of the scheme, as at 31 December 2013, valued the deficit at £2.3 million. The RIBA has been making regular monthly payments to fund the anticipated deficit by 31 December 2017. All 2016 payments were made in accordance with the agreed schedule. The next full triennial valuation as at 31 December 2016 is currently being prepared.

## NET MOVEMENT IN FUNDS

In addition to the income and expenditure discussed above, the listed investments held by the RIBA generated a £0.4 million net gain (2015: £0.1 million net loss). Overall, the **net movement in funds** during the year was a £1.3 million deficit (2015: £2.1 million surplus); with the actuarial movement on the defined benefit pension scheme the most significant contributing factor (as discussed above).

## BALANCE SHEET

The Balance Sheet on page 53, shows the value of the RIBA's assets as at 31 December 2016, the last day of the accounting year, also known as the balance sheet date. The net assets of the RIBA have decreased by £1.3 million during the last twelve months, to £273.3 million (2015: £274.6 million).

The most significant item is the value placed upon the RIBA's cultural (or heritage) assets comprising drawings, paintings, busts, books, periodicals, photographs and other archives. A heritage asset is defined as "a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The value placed on such assets as at 31 December 2016 is £263.8 million (2015: £263.7 million) and this is a significant figure which clearly dominates the balance sheet. Putting it into perspective though, there is no doubt that the RIBA has a world-renowned collection of great architectural significance, which by being valued can be recognised as such. It is of great importance and the Trustees have a duty to protect these assets, which have been acquired by the RIBA either through donation or by acquisition since its formation in 1834. The RIBA considers itself responsible not only for ensuring the continued preservation of the archives and collections for future generations, but for making them available to a wider audience.

The RIBA has total debtors of £5.2 million (2015: £5.9 million), which include amounts owed from sponsors, customers and RIBA members, in addition to prepayments and accrued income.

The main liability on the balance sheet is a banking facility (term loan) which is due for repayment in October 2018. At year end, the amount outstanding on the term loan was £20.0 million (2015: £20.8 million) and net debt of the RIBA was £12.8 million (2015: £10.4 million). Covenant compliance is provided to the bank on an annual basis and there is headroom on the covenants attached to the banking facilities.

## CASH FLOWS

During the year there was a net decrease in cash of £3.2 million to £7.2 million (2015: £10.4 million). There was a net cash inflow in the year from operating activities of £1.4 million (2015: £2.1 million). This reduction was in part due to the payment of amounts accrued for in the previous year. A key movement in investing activities related to £4.1 million (2015: £3.9 million) purchase of tangible fixed assets. The RIBA made repayments on its borrowings of £0.8 million (2015: £0.2 million).

## BASIS OF PREPARATION

The financial statements have been prepared on the basis of the accounting policies set out in Note 1 to the Financial Statements and comply with the charity's trust deed, applicable law and the requirements of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' revised and issued in July 2014.

## GOING CONCERN

The financial statements have been prepared on the basis that the RIBA has adequate resources to continue in operational existence for the foreseeable future (going concern basis), with assets and liabilities recognised as they will be realised and discharged in the normal course of business. In support of this assumption:

- Income is growing;
- A significant proportion of expenditure is discretionary;
- Unrestricted reserves are above target;
- The Group has a high level of valuable assets including its long term interests in property;
- The Group maintains good relationships with its lender and has consistently exceeded its loan covenants; and
- The Group cash position is positive.

Management have undertaken detailed forecasting and sensitivity analysis to December 2018. The Board has considered uncertainties and liquidity risks, with key matters being the repayment of the loan facility and the volatility of the defined benefit pension scheme valuation.

The existing loan facility is due to expire in October 2018. The Group's lender has indicated its willingness to continue to make facilities available beyond that time and no matters have been identified to suggest that facilities would not be extended. Formal negotiations with the lender will commence in autumn 2017 in the usual course of business.

The triennial valuation of the defined benefit pension scheme is due to be agreed in July 2017. In anticipation of this, the RIBA, as the employer and the pension scheme trustees, have agreed to work collaboratively to achieve an appropriate funding plan. Based on these initial discussions, the possible funding scenarios have been factored in to the Group's longer term financial planning to demonstrate affordability.

Based on the above, the Board consider there are no material uncertainties associated with the Group's ability to remain a going concern.

## RISK MANAGEMENT

The management of risk is an integral part of the RIBA's operational management and a series of systems of internal controls, procedures and checks operate in order to identify and mitigate risk. These include:

- An integrated skills based board with effective separation of duties and regular reporting of management information;
- Local operational risks are reported on a regular quarterly basis;
- Strategic risks, defined as those which could prevent the RIBA from achieving its strategic objectives are reviewed every six months by the Executive and the RIBA Audit and Oversight Committee and also by the Trustees at least once a year;
- The Board has adopted and reviews the risk register and ensures risks carried remain in line with the Board's risk appetite.

The Trustees have considered the major risks that could affect the RIBA and prioritised them in terms of the likelihood of their occurrence and the potential impact on the RIBA. They then considered the existing systems designed to mitigate those risks. This work has satisfied the Trustees that the systems in place adequately mitigate the RIBA's exposure to the identified major risks. In addition, the RIBA Audit and Oversight Committee review the effectiveness of internal financial controls and risk management systems.

The main risks identified and managed during the year were:

- The impact of wider events on the UK economy (e.g. Brexit) and the resulting impact on subscription and other income;
- Failure to develop time relevant membership offerings and/or failure to evolve membership entry routes to changes in the professional landscape;
- Failure to protect RIBA Enterprises competitive advantage, resulting in reduced profit;
- Breach of trust, infringement of IP and passing-off;
- Data protection breach, leading to financial loss, reputational damage and potential suspension of operations;
- Failure to develop, connect and fully integrate the RIBA's digital infrastructure(s); and
- Funding of the 1974 (defined benefit) pension scheme; and
- Cash flow funding of scheduled loan repayments and the options available to the Group on the maturity of the bank loan in October 2018.

## INVESTMENT POLICY

The RIBA's investment policy is overseen by the Finance and Operations Committee on behalf of the Trustees and based on guidance from the RIBA's investment managers, Schroders. The main investment policy objectives are to maintain the earning value of the capital so that the value of the sum available for disbursement is constant, to ensure risk to the funds is minimised and to otherwise maximise the annual return. This will be looked at in the course of the following year, as part of a periodic review. The RIBA defined benefit pension scheme has a separate investment strategy overseen by the pension scheme Trustees.

## RESERVES POLICY

All charities need to have reserves in order to underwrite their day to day activities. The level of reserves held is a matter of judgement for the Trustees, who have decided to take a risk-based approach to determining the level of reserves required, based on their understanding of the business model faced by the Charity. In particular, the target level has been assessed after considering the following key factors:

- Reliability of its income;
- Flexibility of its costs in terms of whether they are fixed or variable;
- Availability of cash; and
- Requirements to invest in order to deliver its objectives.

The RIBA has defined 'free reserves' as the unrestricted general reserves less an estimate for its anticipated commitments. Included in free reserves are operational fixed assets, less associated bank loans and investments. The RIBA then compares this figure against the assessed target level of reserves at the balance sheet date.

The level of reserves at the end of the year is approximately 5% above target, which is deemed to be within acceptable tolerances. The Trustees will review this policy during the coming year to ensure it remains relevant in light of the forthcoming defined benefit pension scheme valuation and the negotiations surrounding the loan facility.

As at the end of 2016 the level of reserves held was:

	2016	2015
	£'000	£'000
Total reserves	<b>273,279</b>	274,556
Add: Pension scheme funding reserves	<b>6,994</b>	4,838
Less: Restricted income funds	<b>(1,871)</b>	(1,793)
Endowment funds	<b>(3,671)</b>	(3,233)
Heritage assets reserves	<b>(263,452)</b>	(263,343)
Revaluation reserves	<b>(6,833)</b>	(6,899)
General reserves	<b>4,446</b>	4,126
Less: Commitments	<b>(300)</b>	(250)
Free reserves	<b>4,146</b>	3,876
Target level of reserves as at 31 December	<b>3,965</b>	3,726
Free reserves as a percentage of target reserves (Target = 100%)	<b>104.6%</b>	104.0%

## Structure, governance and management

### STRUCTURE

The Royal Institute of British Architects (RIBA) was incorporated by Royal Charter (its Trust Deed, by which it is governed) in 1834 and was registered as a Charity on 14 August 1962 (Registration Number 210566). A list of current Trustees is included on page 80, together with a list of principal advisors on page 81.

The RIBA has three main subsidiary companies, RIBA Enterprises Ltd, RIBA 1834 Ltd and RIBA Financial Services Ltd. The RIBA also has twelve administrative regions (including the Royal Society of Architects in Wales), as well as over sixty branches.

### GOVERNANCE

Members of the RIBA Council are also the Trustees of the RIBA. The Council is responsible for deciding major issues of architectural policy as well as a number of matters specifically related to a membership body, as set out in the byelaws (including control of the heritage assets of the Institute and its main building at 66 Portland Place). It also decides on the appointment (and removal) of members of the RIBA Board and Directors of the subsidiary companies.

RIBA Council members generally serve three year terms and are elected by the membership in accordance with the Byelaws, which are available on the RIBA website.

A formal trustee induction procedure is in place and all new Trustees are provided with a full induction pack.

The RIBA Board is responsible for Group co-ordination and the direction of operational matters.

RIBA Board members consist of Honorary Officers, non-executive members and others appointed by the RIBA Council.

In addition to the Council and Board, there are nine main committees, namely Finance and Operations Committee, Audit and Oversight Committee, British Architectural Trust Board, Membership Committee, International Committee, Education Committee, Nations and Regions Committee, Practice and Profession Committee and Communication Committee. There are also a number of sub-committees. All main committees report to the RIBA Board. They are chaired by the relevant Vice-President. All Boards and committees consist of Trustees, Council members, RIBA members, lay members and in some cases, executives.

The committees advise on the formulation of policy and strategy relevant for their areas, recommending priorities for the business plan and budget (both income and expenditure). They also review the implementation of Council policies and the progress of work against agreed objectives. They appoint task groups and specialist advisers for relevant projects and subjects.

### MEMBERS VOLUNTEERING

An estimate of the total time given by volunteers to further the RIBA's charitable activities indicates that over 40,000 hours (excluding travel time) were freely given by our members. This reflects very well on all of our members (and others) who give up their time in a wide variety of ways to support the RIBA at all levels and promoting architecture to the public.

### MANAGEMENT

Alan Vallance, as Chief Executive has a number of delegated powers and reports directly to the RIBA Board and RIBA Council. Members of the Group Executive and Senior Staff teams are listed on page 81.

### REMUNERATION POLICY

The RIBA Board set the pay of the Chief Executive, based on independent benchmarking advice provided by specialist reward consultancy, Creative Reward. The Executive Directors' pay is benchmarked in the same way and determined by the Chief Executive. All other posts are evaluated using our evaluation framework and remunerated in line with agreed pay scales. The annual pay review was determined by the RIBA Board.



## STATEMENT OF THE TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and Financial Statements in accordance with applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (Financial Reporting Standard 102).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources of the Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The RIBA values equality and diversity and is committed to ensuring that no person will suffer less favourable treatment than others on the grounds of disability.

Signed for and on behalf of the Board of Trustees:

Jane Duncan, President  
6 July 2017

## Independent auditor's report

### OPINION

We have audited the financial statements of Royal Institute of British Architects (the 'the parent charity') for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

### IN OUR OPINION, THE FINANCIAL STATEMENTS:

- Give a true and fair view of the state of the Group and parent Charity's affairs as at 31 December 2016 and of the Group's incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### OTHER INFORMATION

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the Trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

### RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' annual report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13 October 2017

Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

## Financial Statements

### Consolidated statement of financial activities

For the year ended 31 December 2016

	Note	Unrestricted funds £'000	Pension Scheme funding reserve £'000	Restricted funds £'000	Endowment funds £'000	2016 Total £'000	2015 Total £'000
<b>Income from:</b>							
Donations and legacies		209	-	242	-	451	402
Charitable activities							
Membership subscriptions		7,820	-	-	-	7,820	7,492
Voice		833	-	183	-	1,016	833
Organisation		31	-	-	-	31	113
Profession		3,712	-	-	-	3,712	3,177
Other trading activities	2	28,858	-	-	-	28,858	27,263
Exceptional item on trading activities	30	-	-	-	-	-	(1,547)
Investments		269	-	149	-	418	438
<b>Total income</b>		<b>41,732</b>	<b>-</b>	<b>574</b>	<b>-</b>	<b>42,306</b>	<b>38,171</b>
<b>Expenditure on:</b>							
Raising funds		22,231	(285)	-	-	21,946	20,721
Charitable activities							
Voice		5,599	(123)	327	-	5,803	5,984
Organisation		4,398	(100)	-	-	4,298	3,617
Profession		9,141	(170)	169	-	9,140	8,083
Pension finance costs		-	348	-	-	348	488
<b>Total expenditure</b>	5	<b>41,369</b>	<b>(330)</b>	<b>496</b>	<b>-</b>	<b>41,535</b>	<b>38,893</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>							
		363	330	78	-	771	(722)
Net gains/(losses) on investments	17	-	-	-	438	438	(87)
<b>Net income/(expenditure)</b>	6	<b>363</b>	<b>330</b>	<b>78</b>	<b>438</b>	<b>1,209</b>	<b>(809)</b>
Transfers between funds		-	-	-	-	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>							
		363	330	78	438	1,209	(809)
Actuarial (losses)/gains on defined benefit pension schemes	29	-	(2,486)	-	-	(2,486)	2,896
<b>Net movement in funds</b>		<b>363</b>	<b>(2,156)</b>	<b>78</b>	<b>438</b>	<b>(1,277)</b>	<b>2,087</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		274,368	(4,838)	1,793	3,233	274,556	272,469
<b>Total funds carried forward</b>		<b>274,731</b>	<b>(6,994)</b>	<b>1,871</b>	<b>3,671</b>	<b>273,279</b>	<b>274,556</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 23 to 25 inclusive to the financial statements.



## Balance sheets

As at 31 December 2016

	Note	The RIBA group		The RIBA charity	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
<b>Fixed assets:</b>					
Intangible assets	11	349	407	-	-
Tangible assets	12	35,887	33,541	29,059	29,113
Heritage assets	13	263,796	263,665	263,796	263,665
Investments in subsidiary undertakings	14	-	-	1,319	1,319
Investment properties	16	970	970	970	970
Investments – other	17	4,277	3,838	4,277	3,838
		<b>305,279</b>	<b>302,421</b>	<b>299,421</b>	<b>298,905</b>
<b>Current assets:</b>					
Stocks and work in progress	18	978	846	-	-
Debtors	19	5,230	5,916	3,716	3,751
Cash at bank and in hand		7,235	10,389	2,444	2,232
		<b>13,443</b>	<b>17,151</b>	<b>6,160</b>	<b>5,983</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	20	(18,599)	(19,392)	(6,089)	(5,508)
<b>Net current (liabilities)/assets</b>		<b>(5,156)</b>	<b>(2,241)</b>	<b>71</b>	<b>475</b>
<b>Total assets less current liabilities</b>		<b>300,123</b>	<b>300,180</b>	<b>299,492</b>	<b>299,380</b>
Creditors: amounts falling due after one year	21	(19,850)	(20,786)	(19,117)	(19,954)
<b>Net assets excluding pension liability</b>		<b>280,273</b>	<b>279,394</b>	<b>280,375</b>	<b>279,426</b>
Defined benefit pension scheme liability	29	(6,994)	(4,838)	(6,994)	(4,838)
<b>Total net assets</b>	22a	<b>273,279</b>	<b>274,556</b>	<b>273,381</b>	<b>274,588</b>
<b>Funds:</b>					
Restricted income funds	23a	1,871	1,793	1,871	1,793
Endowment funds	24a	3,671	3,233	3,671	3,233
Unrestricted income funds:	25				
Revaluation reserves		6,833	6,899	6,833	6,899
Heritage Assets reserves		263,452	263,343	263,452	263,343
General funds		4,446	4,126	4,548	4,158
<b>Total unrestricted funds</b>		<b>274,731</b>	<b>274,368</b>	<b>274,833</b>	<b>274,400</b>
<b>Total charity funds excluding pension reserve</b>		<b>280,273</b>	<b>279,394</b>	<b>280,375</b>	<b>279,426</b>
Pension Scheme funding reserve		(6,994)	(4,838)	(6,994)	(4,838)
<b>Total charity funds</b>		<b>273,279</b>	<b>274,556</b>	<b>273,381</b>	<b>274,588</b>

Approved by the trustees on 6 July 2017 and signed on their behalf by

Jane Duncan  
President

## Consolidated statement of cash flows

For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	26	<b>1,363</b>	2,135
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		418	438
Purchase of fixed assets		(4,076)	(3,900)
Acquisition of Heritage Assets		(22)	(81)
<b>Net cash used in investing activities</b>		<b>(3,680)</b>	(3,543)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(837)	(209)
Cash inflows from new borrowing		-	1,156
<b>Net cash provided by financing activities</b>		<b>(837)</b>	947
<b>Change in cash and cash equivalents in the year</b>		<b>(3,154)</b>	(461)
Cash and cash equivalents at the beginning of the year		10,389	10,850
<b>Cash and cash equivalents at the end of the year</b>	27	<b>7,235</b>	10,389

# Notes to the Financial Statements

For the year ended 31 December 2016

## 1. Accounting policies

### a) Statutory information

Royal Institute of British Architects is an unincorporated charity registered with the Charity Commission in England & Wales. The registered office address is 66 Portland Place, London, W1B 1AD.

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries on a line by line basis. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the group companies are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the accounts.

### c) Depreciation and amortisation

Depreciation is provided on a straight line basis at an annual rate calculated to write down each asset (which are capitalised if the cost exceeds £500) to its residual value over the term of its expected useful life. The rates in use are as follows:

Long leasehold buildings	2% per annum
Short leasehold buildings	over the remaining period of the lease
Property improvements	3.3% - 20% per annum
Motor vehicles	20% - 25% per annum
Office equipment	10% - 25% per annum
Computer equipment	20% - 33% per annum
Website	10% per annum
Website software	33% per annum

### d) Intangible assets

Goodwill arising on the acquisition of investments is amortised over 20 years from the date of acquisition. Goodwill is calculated as the difference between the fair value of the assets acquired, and the consideration paid on acquisition.

### e) Heritage assets

A heritage asset is defined as "a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture." The Institute has estimated a value in these financial statements in respect of its various collections of drawings, paintings, busts, books, periodicals, photographs, archives and other heritage assets. The methodology for the valuations, which was reviewed by BDO, an independent firm of auditors as well as our own auditors, allows for a proportion of these assets to be re-valued on an ongoing rolling basis. The valuations have been carried out using the RIBA's curatorial staff, recognised as leading experts in the field, using a number of methods, including the use of average costs for certain categories of heritage assets. Any acquisitions are shown either at cost or in the case of donations at an estimated valuation on the date of receipt. Any gains or losses on revaluation will be recognised in the Statement of Financial Activities.

### f) Taxation

The RIBA is a registered charity and benefits from tax exemptions available to charities. The main subsidiaries of the RIBA are subject to corporation tax on their taxable profits. The majority of these taxable profits are donated under gift aid to the RIBA.

For the year ended 31 December 2016

#### g) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

#### h) Going concern

The financial statements have been prepared on the basis that the RIBA has adequate resources to continue in operational existence for the foreseeable future (going concern basis), with assets and liabilities recognised as they will be realised and discharged in the normal course of business. In support of this assumption:

- Income is growing;
- A significant proportion of expenditure is discretionary;
- Unrestricted reserves are above target;
- The Group has a high level of valuable assets including its long term interests in property;
- The Group maintains good relationships with its lender and has consistently exceeded its loan covenants; and
- The Group cash position is positive.

Management have undertaken detailed forecasting and sensitivity analysis to December 2018. The Board has considered uncertainties and liquidity risks, with key matters being the repayment of the loan facility and the volatility of the defined benefit pension scheme valuation.

The existing loan facility is due to expire in October 2018. The Group's lender has indicated its willingness to continue to make facilities available beyond that time and no matters have been identified to suggest that facilities would not be extended. Formal negotiations with the lender will commence in autumn 2017 in the usual course of business.

The triennial valuation of the defined benefit pension scheme is due to be agreed in July 2017. In anticipation of this, the RIBA, as the employer and the pension scheme trustees, have agreed to work collaboratively to achieve an appropriate funding plan. Based on these initial discussions, the possible funding scenarios have been factored in to the Group's longer term financial planning to demonstrate affordability.

Based on the above, the board consider there are no material uncertainties associated with the Group's ability to remain a going concern.

#### i) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

#### j) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### k) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### l) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.



For the year ended 31 December 2016

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

#### m) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### n) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- |                |     |
|----------------|-----|
| - Voice        | 31% |
| - Organisation | 26% |
| - Profession   | 43% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

#### o) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

#### p) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

#### Listed investments

Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/ (losses) on investments' in the statement of financial activities.

#### Investments in subsidiaries

Investments in subsidiaries are at cost.

#### q) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

#### r) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

For the year ended 31 December 2016

#### t) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### u) Financial instruments

With the exception of the listed investments described above the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

#### v) Pensions

Retirement benefits to employees are funded by contributions from both the Institute and its subsidiaries to a defined benefits

scheme. The assets and liabilities of the scheme are held separately from the Institute. The charity has adopted in full the provisions of FRS 102 (Retirement benefits). The FRS 102 approach requires the movement in the pension scheme for the year to be reported in the statement of financial activities and the accumulated deficit or surplus to be reported in the balance sheet.

The current service costs of the defined benefit pension scheme together with the scheme interest cost less the expected return on the scheme assets for the year are charged to the statement of financial activities within staff costs. They are allocated to the different categories within resources expended on the statement of financial activities on the same basis as other costs. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses.

The group also contributes to defined contribution schemes for eligible employees. The cost of the group's contributions to these schemes is charged to the income and expenditure account in the year to which it relates.

#### w) Regions and branches

Regions' accounts are included in the figures of the RIBA, along with an estimate of assets held in RIBA branches.

## 2. Analysis of the results of subsidiaries

The RIBA has two main wholly owned subsidiaries, both of which are incorporated in the UK. The other main subsidiary RIBA Financial Services Ltd is 100% owned by RIBA 1834 Ltd.

A summary of the results of the three main subsidiaries are shown below. Profits made by RIBA Enterprises Ltd, RIBA 1834 Ltd and RIBA Financial Services Ltd are gift aided to the RIBA.

	Turnover	Expenditure	Profit/(loss)	Retained earnings	Assets	Liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Company						
RIBA Enterprises Ltd	24,250	20,280	3,970	(32)	16,216	14,930
RIBA 1834 Ltd	15,149	13,894	1,255	-	926	925
RIBA Financial Services Ltd	84	154	(70)	(70)	41	111

Included above are intra-group sales of £10,338k (2015: £9,945k) included as turnover and £11,463k (2015: £10,341k) included as costs.

The parent charity's gross income and the results for the year are disclosed in note 15.

## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### 3. Other similar named organisations

The RIBA is Custodian Trustee to the British Architectural Library Trust (BALT), which is a separately registered but dormant Charity (Registration number 267936), having transferred all its assets in 2010 to the RIBA.

This Charity is not consolidated into these accounts.

### 4. Detailed comparatives for the statement of financial activities

	Unrestricted	Pension Scheme	Restricted	Endowment	2015 Total
	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations and legacies	274	-	124	4	402
Charitable activities	11,590	-	25	-	11,615
Other trading activities	25,716	-	-	-	25,716
Investments	283	-	155	-	438
Other	-	-	-	-	-
<b>Total income</b>	<b>37,863</b>	<b>-</b>	<b>304</b>	<b>4</b>	<b>38,171</b>
<b>Expenditure on:</b>					
Raising funds	21,006	(285)	-	-	20,721
Charitable activities	17,676	(393)	401	-	17,684
Pension finance costs	-	488	-	-	488
<b>Total expenditure</b>	<b>38,682</b>	<b>(190)</b>	<b>401</b>	<b>-</b>	<b>38,893</b>
<b>Net income before gains on investments</b>	<b>(819)</b>	<b>190</b>	<b>(97)</b>	<b>4</b>	<b>(722)</b>
Net gains on investments	-	-	-	(87)	(87)
<b>Net income / expenditure</b>	<b>(819)</b>	<b>190</b>	<b>(97)</b>	<b>(83)</b>	<b>(809)</b>
Transfers between funds	-	-	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>	<b>(819)</b>	<b>190</b>	<b>(97)</b>	<b>(83)</b>	<b>(809)</b>
Gains on revaluation of heritage assets	-	-	-	-	-
Actuarial (losses) on defined benefit pension schemes	-	2,896	-	-	2,896
<b>Net movement in funds</b>	<b>(819)</b>	<b>3,086</b>	<b>(97)</b>	<b>(83)</b>	<b>2,087</b>
<b>Total funds brought forward</b>	<b>275,187</b>	<b>(7,924)</b>	<b>1,890</b>	<b>3,316</b>	<b>272,469</b>
<b>Total funds carried forward</b>	<b>274,368</b>	<b>(4,838)</b>	<b>1,793</b>	<b>3,233</b>	<b>274,556</b>

## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### 5. Analysis of expenditure

	Cost of raising funds	Charitable activities			Pension finance costs	Governance costs	Support costs	2016 Total	2015 Total
		Voice	Organisation	Profession					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Staff costs	11,695	1,551	1,154	1,953	-	38	5,087	<b>21,478</b>	20,421
Other	9,859	845	376	2,503	348	325	4,075	<b>18,331</b>	16,931
Depreciation	392	8	-	-	-	-	1,326	<b>1,726</b>	1,541
	21,946	2,404	1,530	4,456	348	363	10,488	<b>41,535</b>	38,893
Support costs	-	3,285	2,676	4,527	-	-	(10,488)	-	-
Governance costs	-	114	92	157	-	(363)	-	-	-
<b>Total expenditure 2016</b>	<b>21,946</b>	<b>5,803</b>	<b>4,298</b>	<b>9,140</b>	<b>348</b>	<b>-</b>	<b>-</b>	<b>41,535</b>	
Total expenditure 2015	20,721	5,984	3,617	8,083	488	-	-		38,893

Other support costs of £4,075k (2015: £3,706k) include premises costs (eg. rent, rates, utilities and maintenance costs), insurance, training, bank charges and ICT costs. Allocation is made based on staff cost.

Governance costs consist of legal fees, auditors' fees and expenses for trustee meetings.

### 6. Net income/(expenditure) for the year

This is stated after charging/(crediting):

	The group	The charity
	2016	2015
	£'000	£'000
Depreciation	<b>1,726</b>	1,541
Amortisation	<b>58</b>	58
Profit on disposal of fixed assets	<b>(3)</b>	(42)
Interest payable	<b>669</b>	534
Operating lease rentals:		
Property	<b>360</b>	333
Other	<b>119</b>	128
Auditors' remuneration (excluding VAT):		
Audit	<b>67</b>	63
Other services	<b>2</b>	4



Notes to the Financial Statements continued..

For the year ended 31 December 2016

**7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2016 £'000	2015 £'000
Salaries and wages	17,667	16,376
Redundancy and termination costs	187	259
Social security costs	1,844	1,671
Employer's contribution to defined contribution pension schemes	1,163	1,094
Operating costs of defined benefit pension schemes	678	678
	<b>21,539</b>	<b>20,078</b>

£112,604 (2015: £180,775) termination payments were made during the year.

All staff members are employed by either RIBA 1834 Ltd or RIBA Enterprises Ltd and costs are charged to the relevant subsidiary company. These are shown under either charitable expenditure or costs of generating funds. The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	RIBA Group 2015 No.
Royal Institute of British Architects		
Raising funds (RIBA 1834 Limited & RIBA Financial Services Limited)	14	15
Voice	50	38
Organisation	28	24
Profession	54	45
Governance	1	1
Support costs	98	105
RIBA Enterprises Limited	251	247
Total	<b>496</b>	<b>475</b>

The number of employees of the RIBA and its subsidiaries whose emoluments (excluding employers national insurance) fell in the following bands were as follows:

£60,000 - £69,999	9	14
£70,000 - £79,999	4	8
£80,000 - £89,999	8	7
£90,000 - £99,999	9	3
£100,000 - £109,999	2	-
£140,000 - £149,999	1	2
£150,000 - £159,999	1	1
£160,000 - £169,999	-	1
£170,000 - £179,999	2	-
£200,000 - £209,999	-	1
£210,000 - £219,999	-	1
£220,000 - £229,999	1	-

In relation to the employees in the bandings shown above, £271,406 was paid to defined contribution pension schemes (2015: £330,475). These bandings include the termination payments mentioned earlier in this note.

The total employee benefits including consultancy costs, employers national insurance and pension contributions of the key management personnel were £1,155,737 (2015: £888,677).

## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### 8. Trustee remuneration and expenses

Trustees of the RIBA are reimbursed reasonable expenses incurred when on RIBA business. 53 current and former trustees (2015: 53) claimed such expenses and the total amount reimbursed was £90,832 (2015: £106,194). In one instance (2015: two) remuneration was paid by a trading subsidiary of the charity under an existing and long-standing contract of employment to a related party of a trustee, a RIBA member who is not a Board member of the subsidiary.

In addition, the following amounts were paid in the normal course of business by RIBA to firms or practices, in which trustees are directors or partners, or to them as individuals: during 2016 £0 (2015: £352) for Royalties, £0 (2015: £13,750) and £0 (2015: £3,481) for CPD assessment and pre-assessment work, £0 (2015: £31,200), £30,000 (2015: £0), £407 (2015: £250), £0 (2015: £3,600), £360 (2015: £0) and £0 (2015: £500) for other types of work or bursaries at the same rate as would be paid to other architects for these items.

In addition as agreed by the Charity Commission the President was paid £60,000 gross (2015: £15,000).

Trustees have been asked to sign declarations to confirm any payments that need to be disclosed. No other such payments have been declared.

### 9. Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There were royalties of £348 paid to a senior member of staff of RIBA 1834 Ltd by RIBA Enterprises Limited. Other than as noted above, there were no other related party transactions (2015: £0).

### 10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Gift Aid available profits to the parent charity. Their charge to corporation tax in the year was £10,000 (2015: £0).

### 11. Intangible assets

	Goodwill	Copyright	Total
	£'000	£'000	£'000
<b>RIBA Group</b>			
<b>Cost:</b>			
As at 1 January and 31 December 2016	2,194	1	<b>2,195</b>
<b>Amortisation:</b>			
As at 1 January 2016	1,788	-	<b>1,788</b>
Charge for the year	58	-	<b>58</b>
As at 31 December 2016	1,846	-	<b>1,846</b>
Net book value:			
As at 31 December 2016	348	1	<b>349</b>
As at 31 December 2015	406	1	<b>407</b>

For the year ended 31 December 2016

**12. Tangible fixed assets****The group**

	Properties	Office and Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At the start of the year	38,889	10,671	103	<b>49,663</b>
Additions in year	2,440	1,636	-	<b>4,076</b>
Disposals in year	-	(315)	(19)	<b>(334)</b>
At the end of the year	41,329	11,992	84	<b>53,405</b>
<b>Depreciation</b>				
At the start of the year	7,607	8,414	101	<b>16,122</b>
Charge for the year	1,028	696	2	<b>1,726</b>
Eliminated on disposal	-	(311)	(19)	<b>(330)</b>
At the end of the year	8,635	8,799	84	<b>17,518</b>
<b>Net book value</b>				
At the end of the year	32,694	3,193	-	<b>35,887</b>
At the start of the year	31,282	2,257	2	<b>33,541</b>

Land with a value of £6,000,000 (2015: £6,000,000) is included within freehold property and not depreciated.

The net book value at 31 December 2016 represents fixed assets used for:

	Office and Computer equipment	Properties	Office and Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Charity assets	27,040	2,019	-	-	<b>29,059</b>
Trading subsidiaries	5,654	1,174	-	-	<b>6,828</b>
	32,694	3,193	-	-	<b>35,887</b>

The heading Properties includes 66 Portland Place which was last valued on 22 October 1987 when the property was valued at £8,500,000, an upwards revaluation of £7,896,000. In the opinion of the trustees, the value of the property is in excess of this amount, but they do not consider an up to date valuation to be an appropriate use of the Charity's resources. The lease on the 66/68 Portland Place property expires on 6 July 2930.

The finance costs capitalised in the year were £0 (2015: £99,000) for the charity and £66,000 (2015: £202,000) for the group.

The lease on the facilities at the Victoria and Albert Museum, which is rent free, may be determined at any time after 2019 (but is subject to compensation if this is before 2034).

For the year ended 31 December 2016

**12. Tangible fixed assets****The charity**

	Properties £'000	Office and Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At the start of the year	34,986	8,499	84	<b>43,569</b>
Additions in year	522	758	-	<b>1,280</b>
Disposals in year	-	(167)	(19)	<b>(186)</b>
At the end of the year	35,508	9,090	65	<b>44,663</b>
<b>Depreciation</b>				
At the start of the year	7,502	6,872	82	<b>14,456</b>
Charge for the year	966	366	2	<b>1,334</b>
Eliminated on disposal	-	(167)	(19)	<b>(186)</b>
At the end of the year	8,468	7,071	65	<b>15,604</b>
<b>Net book value</b>				
At the end of the year	27,040	2,019	-	<b>29,059</b>
At the start of the year	27,484	1,627	2	<b>29,113</b>

Land with a value of £5,000,000 (2015: £5,000,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

**13. Heritage assets**

As at 31 December 2011, the RIBA estimated a value in respect of its various collections of drawings, paintings, busts, books, periodicals, photographs, archives and other assets following the introduction of the new reporting standard FRS30. As custodian of one of the finest architectural collections in the world, it was agreed with the auditors that the RIBA's curatorial staff had sufficient detailed knowledge of the collections for it to be valued and accordingly no external valuers were engaged. During the year, the Institute acquired and were also donated further heritage assets. All donations have been included in additions at a fair valuation. The values of all assets are shown below against each category.

**Heritage assets at valuation**

	Drawing and collections £'000	Books and periodicals £'000	Photographs £'000	Other £'000	Total 2016 £'000
As at 1 January	200,796	17,611	39,955	5,303	<b>263,665</b>
Additions - purchases	-	11	9	2	<b>22</b>
Additions - donations	90	-	17	2	<b>109</b>
As at 31 December	200,886	17,622	39,981	5,307	<b>263,796</b>

**Five year summary**

	Total 2016 £'000	Total 2015 £'000	Total 2014 £'000	Total 2013 £'000	Total 2012 £'000
As at 1 January	<b>263,665</b>	263,407	262,906	262,667	261,740
Additions - purchases	<b>22</b>	81	85	68	107
Additions - donations	<b>109</b>	177	383	171	651
Revaluation	-	-	33	-	169
As at 31 December	<b>263,796</b>	263,665	263,407	262,906	262,667



## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### Drawings

The RIBA has over one million drawings. The most valuable of these drawings have been valued individually by a staff member, who is deemed to be suitably qualified to be able to do so. All other drawings have been stratified into value ranges and an average value.

### Books and periodicals

Books held for permanent retention, which form the majority of books held are regarded as heritage assets and are valued as such. The books available for loan to members are deemed to be operational assets. The periodicals collection includes runs of major journals worldwide. In total, the RIBA owns about 110,000 books and has over 23,000 bound journal volumes.

### Photographs

The RIBA holds about 1.5 million photographs in a variety of format and type of medium. An increasing number of these can be viewed on the website [www.architecture.com](http://www.architecture.com) and images can be purchased, which in turn provides funding for more to be made available.

### Archives

The archives consist of a number of internal documents, together with letters and other papers relating to individual architects. The internal documents are not considered to have any significant value attached to them and have not been valued. The letters and other papers are organised into about 800 separate collections and have been valued.

## 14. Investments in subsidiary companies

### RIBA Charity

	31 December 2016	31 December 2015
	£'000	£'000
<b>Investments in group companies:</b>		
Ordinary shares		
RIBA 1834 Limited	1	1
RIBA Enterprises Limited	1,318	1,318
RIBA Financial Services Limited	-	-
	<b>1,319</b>	<b>1,319</b>

The RIBA owned three main trading subsidiary companies (which are 100% subsidiaries (see note 2) and registered in England and Wales) throughout 2015 and 2016:

Name	Principal activities
RIBA 1834 Ltd	Venues and RIBA Competitions.
RIBA Enterprises Ltd	Publications and information services for use in architecture, construction and design.
RIBA Financial Services Ltd	Provision of middleware for customers to access pension solutions and other services.

Notes to the Financial Statements continued..

For the year ended 31 December 2016

A summary of the results of the subsidiaries named on the previous page, are shown below:

	RIBA 1834 Ltd		RIBA Enterprises Ltd	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Turnover	15,149	13,860	24,250	23,341
Cost of sales	-	-	(3,459)	(3,882)
Gross profit	15,149	13,860	20,791	19,459
Administrative expenses	(13,894)	(12,355)	(16,869)	(15,814)
Operating profit/(loss)	1,255	1,505	3,922	3,645
Interest receivable	-	-	20	33
Other interest payable	-	-	(20)	-
Exceptional income	-	-	58	(1,489)
Profit/(loss) on ordinary activities	1,255	1,505	3,980	2,189
Taxation	-	-	(10)	-
Profit/(loss) on ordinary activities before taxation	1,255	1,505	3,970	2,189
Deed of covenant to parent undertaking	(1,255)	(1,505)	(3,970)	(2,189)
Profit/(loss) for the financial year	-	-	-	-
Accumulated loss- start of the year	-	-	(32)	(32)
Accumulated loss- end of year	-	-	(32)	(32)
The aggregate of the assets, liabilities and funds was:				
Assets	926	1,082	16,216	18,457
Liabilities	(925)	(1,081)	(14,930)	(17,171)
Funds	1	1	1,286	1,286

	RIBA Financial Services Ltd	
	2016	2015
	£'000	£'000
Turnover	84	7
Cost of sales	(154)	(4)
(Loss)/profit on ordinary activities	(70)	3
Deed of covenant to parent undertaking	-	(3)
(Loss)/profit for the financial year	(70)	-
Accumulated loss- start of the year	-	-
Accumulated loss- end of year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	41	4
Liabilities	(111)	(4)
Funds	(70)	-

## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### 15. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2016 £'000	2015 £'000
Gross income	20,047	17,154
Result for the year	949	(1,000)

The RIBA also owns 100% of RIBA Journals Ltd which did not trade in 2016. The RIBA has a related company, RIBA Insurance Agency Ltd, which is also dormant.

### 16. Investment properties

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fair value at the start of the year	970	-	970	-
Transfer from tangible fixed assets	-	970	-	970
Fair value at the end of the year	970	970	970	970

The property was last valued on 31 December 2016 by RIBA Head of Estates and Facilities. This refers to 80 Portland Place, a leasehold property reclassified from fixed assets as the nature of use has changed.

### 17. Listed investments

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fair value at the start of the year	3,838	3,927	3,838	3,927
Net gain / (loss) on change in fair value	438	(87)	438	(87)
Cash held by investment broker	1	(2)	1	(2)
Fair value at the end of the year	4,277	3,838	4,277	3,838
Historic cost at the end of the year	3,626	3,618	3,626	3,618

Investments comprise:

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Unitised funds	4,275	3,836	4,275	3,836
Cash	2	2	2	2
	4,277	3,838	4,277	3,838

### 18. Stock

	The group		The charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Goods for resale	978	846	-	-

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**19. Debtors**

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	<b>3,505</b>	4,488	<b>386</b>	678
Prepayments and accrued income	<b>1,059</b>	975	<b>509</b>	546
Other debtors	<b>666</b>	453	<b>102</b>	43
Due from subsidiary undertakings:				
within one year	-	-	<b>2,056</b>	471
in one to two years	-	-	<b>663</b>	1,150
in three to five years	-	-	-	863
	<b>5,230</b>	5,916	<b>3,716</b>	3,751

The amount due from subsidiary undertakings includes a balance on the loan of £1.8125m to RIBA Enterprises Limited which is being repaid over a 3 year period that commenced in 2015. Interest on the loan is payable at the same rate as the Lloyds loan in note 21.

**20. Creditors: amounts falling due within one year**

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans	<b>837</b>	837	<b>837</b>	837
Trade creditors	<b>1,836</b>	1,427	<b>1,100</b>	862
Corporation tax	<b>25</b>	15	-	-
Taxation and social security	<b>679</b>	1,018	-	-
Other creditors	<b>292</b>	170	<b>102</b>	111
Accruals and deferred income	<b>14,930</b>	15,925	<b>4,022</b>	3,691
Due to subsidiary undertakings	-	-	<b>28</b>	7
	<b>18,599</b>	19,392	<b>6,089</b>	5,508

**21. Creditors: amounts falling due after one year**

	The group		The charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans:				
due in 1 to 2 years	<b>19,117</b>	837	<b>19,117</b>	837
due in 3 to 5 years	-	19,117	-	19,117
Accruals and deferred income	<b>733</b>	832	-	-
	<b>19,850</b>	20,786	<b>19,117</b>	19,954

The charity has a loan from Lloyds bank which is unsecured. Interest is charged half at the Lloyds bank base rate in force at the time, plus a margin of 1.9% and half at 4.2%. The loan is repayable in instalments due between one and five years and is repayable in full by 9 October 2018.

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**22a. Analysis of group net assets between funds (current year)**

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Intangible fixed assets	349	-	-	349
Tangible fixed assets	35,885	2	-	35,887
Heritage assets	263,796	-	-	263,796
Investments	90	1,486	3,671	5,247
Net current liabilities	(5,539)	383	-	(5,156)
Long term liabilities	(19,850)	-	-	(19,850)
Defined benefit pension liability	(6,994)	-	-	(6,994)
<b>Net assets at the end of the year</b>	<b>267,737</b>	<b>1,871</b>	<b>3,671</b>	<b>273,279</b>

**22b. Analysis of group net assets between funds (prior year)**

	General unrestricted £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Intangible fixed assets	407	-	-	407
Tangible fixed assets	33,532	9	-	33,541
Heritage assets	263,665	-	-	263,665
Investments	90	1,485	3,233	4,808
Net current assets	(2,540)	299	-	(2,241)
Long term liabilities	(20,786)	-	-	(20,786)
Defined benefit pension liability	(4,838)	-	-	(4,838)
<b>Net assets at the end of the year</b>	<b>269,530</b>	<b>1,793</b>	<b>3,233</b>	<b>274,556</b>



Notes to the Financial Statements continued..

For the year ended 31 December 2016

**23a. Movements in funds – Restricted funds (current year)**

**RIBA group and RIBA charity – Restricted funds**

	At the start of the year	Income and gains	Expenditure and losses	Transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000
Drawings collection fund – London	33	5	(6)	–	32
Banister Fletcher History of Architecture	30	148	(62)	50	166
Gordon Rickets Bursary	25	–	(3)	–	22
Library Exhibition Fund (Heinz Gallery)	79	3	(29)	–	53
Heinz Exhibition Fund	12	–	–	–	12
Giles Worsley Fund	163	11	(7)	–	167
Library Education Centre	6	–	(5)	–	1
RIBA Education Fund	381	112	(80)	–	413
Digital Image Database	2	–	(1)	–	1
Research Trust Funds	33	31	(28)	–	36
Prizes Trust	23	3	(4)	–	22
Annie Spink Memorial Scholarship	123	7	(10)	–	120
RIBA Award Trust	91	16	(41)	–	66
W J Parker Trust	55	14	(4)	–	65
Sir Banister Fletcher Library Bequest	22	10	(11)	–	21
W H Ansell Bequest	37	2	(1)	–	38
Nadine Beddington Trust	41	7	(6)	–	42
Henry Jarvis Bequest	22	1	–	–	23
Goldfinger Trust	174	6	–	–	180
LKE Ozolins Bequest	90	21	(65)	–	46
C Jencks Exchange Fund	17	4	(3)	–	18
R S Reynolds Awards	14	–	–	–	14
Lord Norman Foster Travelling Scholarship	14	8	(13)	–	9
Wren Scholarship	–	25	(25)	–	–
BALT	197	9	(35)	(50)	121
RIBA East – CPD Fund	21	–	(1)	–	20
Rare Books Fund	25	24	(1)	–	48
Other	63	107	(55)	–	115
<b>Total restricted funds</b>	<b>1,793</b>	<b>574</b>	<b>(496)</b>	<b>–</b>	<b>1,871</b>

These funds are held to serve a number of purposes principally educational and funding the Library/Collections. These restricted funds can be only be used for the express purpose for which they have been given.

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**23b. Movements in funds – Restricted funds (prior year)**

**RIBA group and RIBA charity – Restricted funds**

	At the start of the year	Income and gains	Expenditure and losses	Transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000
Drawings collection fund – London	51	2	(20)	–	<b>33</b>
Banister Fletcher History of Architecture	36	27	(33)	–	<b>30</b>
Gordon Rickets Bursary	25	–	–	–	<b>25</b>
Library Exhibition Fund (Heinz Gallery)	96	3	(20)	–	<b>79</b>
Heinz Exhibition Fund	12	–	–	–	<b>12</b>
Giles Worsley Fund	160	10	(7)	–	<b>163</b>
Library Education Centre	12	–	(6)	–	<b>6</b>
RIBA Education Fund	404	53	(76)	–	<b>381</b>
Digital Image Database	3	–	(1)	–	<b>2</b>
Research Trust Funds	34	32	(33)	–	<b>33</b>
Prizes Trust	20	3	–	–	<b>23</b>
Annie Spink Memorial Scholarship	116	7	–	–	<b>123</b>
RIBA Award Trust	114	18	(41)	–	<b>91</b>
W J Parker Trust	97	16	(58)	–	<b>55</b>
Sir Banister Fletcher Library Bequest	19	4	(1)	–	<b>22</b>
W H Ansell Bequest	35	2	–	–	<b>37</b>
Nadine Beddington Trust	40	7	(6)	–	<b>41</b>
Henry Jarvis Bequest	21	1	–	–	<b>22</b>
Goldfinger Trust	169	5	–	–	<b>174</b>
LKE Ozolins Bequest	80	21	(11)	–	<b>90</b>
C Jencks Exchange Fund	20	5	(8)	–	<b>17</b>
R S Reynolds Awards	14	–	–	–	<b>14</b>
Lord Norman Foster Travelling Scholarship	13	8	(7)	–	<b>14</b>
Wren Scholarship	–	25	(25)	–	<b>–</b>
BALT	193	9	(5)	–	<b>197</b>
Gallery Building Fund	18	–	(18)	–	<b>–</b>
RIBA East – CPD Fund	21	–	–	–	<b>21</b>
Rare Books Fund	–	25	–	–	<b>25</b>
Other	67	21	(25)	–	<b>63</b>
<b>Total restricted funds</b>	<b>1,890</b>	<b>304</b>	<b>(401)</b>	<b>–</b>	<b>1,793</b>

For the year ended 31 December 2016

**24a. Movement in funds – Endowment funds (current year)****RIBA group and RIBA charity – Endowment funds**

Endowment funds are invested to generate income, which is then held in a series of separate restricted funds (see Note 23).

	At the start of the year	Incoming resources	Unrealised gain on investments	At the end of the year
	£'000	£'000	£'000	£'000
Research Trust Funds	909	-	123	<b>1,032</b>
Prizes Trust	62	-	8	<b>70</b>
Annie Spink Memorial Scholarship	82	-	11	<b>93</b>
RIBA Award Trust	405	-	55	<b>460</b>
W J Parker Trust	371	-	50	<b>421</b>
Sir Banister Fletcher Library Bequest	107	-	14	<b>121</b>
W H Ansell Bequest	21	-	3	<b>24</b>
Nadine Beddington Trust	163	-	22	<b>185</b>
Henry Jarvis Bequest	20	-	3	<b>23</b>
LKE Ozolins Bequest	551	-	75	<b>626</b>
C Jencks Exchange Fund	115	-	16	<b>131</b>
Lord Norman Foster Travelling Scholarship	222	-	30	<b>252</b>
Giles Worsley Fund	116	-	16	<b>132</b>
BALT	73	-	10	<b>83</b>
Other	16	-	2	<b>18</b>
<b>Total endowment funds</b>	<b>3,233</b>	<b>-</b>	<b>438</b>	<b>3,671</b>

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**24b. Movement in funds – Endowment funds (prior year)**

**RIBA group and RIBA charity – Endowment funds**

	At the start of the year	Incoming resources	Unrealised loss on investments	At the end of the year
	£'000	£'000	£'000	£'000
Research Trust Funds	933	-	(24)	<b>909</b>
Prizes Trust	64	-	(2)	<b>62</b>
Annie Spink Memorial Scholarship	84	-	(2)	<b>82</b>
RIBA Award Trust	416	-	(11)	<b>405</b>
W J Parker Trust	377	4	(10)	<b>371</b>
Sir Banister Fletcher Library Bequest	110	-	(3)	<b>107</b>
W H Ansell Bequest	22	-	(1)	<b>21</b>
Nadine Beddington Trust	168	-	(5)	<b>163</b>
Henry Jarvis Bequest	20	-	-	<b>20</b>
LKE Ozolins Bequest	566	-	(15)	<b>551</b>
C Jencks Exchange Fund	118	-	(3)	<b>115</b>
Lord Norman Foster Travelling Scholarship	228	-	(6)	<b>222</b>
Giles Worsley Fund	119	-	(3)	<b>116</b>
BALT	75	-	(2)	<b>73</b>
Other	16	-	-	<b>16</b>
Total endowment funds	3,316	4	(87)	<b>3,233</b>

**25. Unrestricted funds:**

**RIBA Group**

	At the start of the year	Transfers	Net movement – unrestricted funds	At the end of the year
	£'000	£'000	£'000	£'000
Revaluation reserve	6,899	(66)	-	<b>6,833</b>
Heritage Assets reserves	263,343	-	109	<b>263,452</b>
General reserve	4,126	66	254	<b>4,446</b>
	274,368	-	363	<b>274,731</b>

**RIBA charity**

Revaluation reserve	6,899	(66)	-	<b>6,833</b>
Heritage Assets reserves	263,343	-	109	<b>263,452</b>
General reserve	4,158	66	324	<b>4,548</b>
	274,400	-	433	<b>274,833</b>

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**26. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2016	2015
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,209	(809)
Depreciation charges	1,726	1,541
Amortisation of goodwill	58	58
(Gains)/losses on investments	(438)	87
Heritage assets donated	(109)	(177)
Dividends, interest and rent from investments	(418)	(438)
Profit on the disposal of fixed assets	3	42
(Increase)/decrease in stocks	(132)	191
Decrease/(increase) in debtors	686	(634)
(Decrease)/increase in creditors	(892)	2,464
Pension reserve funding movements	(330)	(190)
<b>Net cash provided by operating activities</b>	<b>1,363</b>	<b>2,135</b>

**27. Analysis of cash and cash equivalents**

	At 1 January 2016	Cash flows	Other changes	At 31 December 2016
	£'000	£'000	£'000	£'000
Cash at bank and in hand	10,389	(3,154)	-	<b>7,235</b>
Total cash and cash equivalents	10,389	(3,154)	-	<b>7,235</b>



Notes to the Financial Statements continued..

For the year ended 31 December 2016

**28. Operating lease commitments**

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Other	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Less than one year	141	148	32	114
Between two and five years	128	248	17	23
Over five years	3,304	542	-	-
	<b>3,573</b>	938	<b>49</b>	137

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Other	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Less than one year	71	45	-	3
Between two and five years	69	121	-	-
Over five years	3,304	542	-	-
	<b>3,444</b>	708	-	3

**29. Pension scheme**

The RIBA makes contributions to three pension schemes as described in note 1, two of which are stakeholder schemes and one of which is a defined benefit scheme.

**Stakeholder pension schemes**

The RIBA operates two stakeholder pension schemes for the benefit of all staff who are not members of the defined benefit scheme. They are money purchase schemes where the employee contributes at least 1 - 6% salary and the employer 2 - 16.5% depending on age. The amount of this contribution was £1,163,000 (2015: £1,094,000).

**Defined Benefit Scheme**

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 December 2013 by a qualified actuary.

**Change in benefit obligation**

	Year ended 31/12/2016	Year ended 31/12/2015
	£'000	£'000
Benefit obligation at beginning of year	50,690	52,328
Interest cost	1,890	1,848
Actuarial (loss)/gains	9,191	(1,501)
Benefits paid	(1,920)	(1,985)
Benefit obligation at end of year	<b>59,851</b>	50,690

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**Change in fair value of plan assets**

	Year ended 31/12/2016	Year ended 31/12/2015
	£'000	£'000
Fair value of plan assets at beginning of year	45,852	44,404
Interest income	1,715	1,571
Administrative expenses paid from plan assets	(173)	(211)
Remeasurement: Return on plan assets (excluding interest income)	6,705	1,395
Employer contribution	678	678
Benefits paid	(1,920)	(1,985)
Fair value of plan assets at end of year	52,857	45,852

**Amounts recognised in the balance sheet**

	Year ended 31/12/2016	Year ended 31/12/2015
	£'000	£'000
<i>Plans that are wholly unfunded and plans that are wholly or partly funded</i>		
Defined benefit obligation	59,851	50,690
Fair value of plan assets	52,857	45,852
Deficit for funded plans	6,994	4,838
Funded status	6,994	4,838
Amounts in the balance sheet:		
Liabilities	6,994	4,838

## Notes to the Financial Statements continued..

For the year ended 31 December 2016

### Cost relating to defined benefit plans

	Year ended 31/12/2016	Year ended 31/12/2015
	£'000	£'000
Net interest cost:		
Interest cost on DBO	1,890	1,848
Interest (income) on plan assets	(1,715)	(1,571)
Total net interest cost	175	277
Administrative expenses and/or taxes (not reserved within DBO)	173	211
Cost relating to defined benefit plans recognized in SOFA	348	488
Remeasurements (recognized in other comprehensive income):		
Effect of changes in assumptions	9,191	(1,501)
Effect of experience adjustments	-	-
(Return) on plan assets (excluding interest income)	(6,705)	(1,395)
Total remeasurements included in SOFA	2,486	(2,896)
Total cost related to defined benefit plans recognized in SOFA	2,834	(2,408)

### Principal actuarial assumptions

	Year ended 31/12/2016	Year ended 31/12/2015
	%	%
<b>Weighted average assumptions used to determine benefit obligations:</b>		
Discount rate	2.70%	3.80%
Rate of price inflation	3.20%	3.00%
Rate of pension increase (Post 1.1.1989 / Pre 1.1.1989)		
Compound	5.00%	5.00%
Simple	7.00%	7.00%

### Weighted average assumptions used to determine net pension cost:

Discount rate	3.80%	3.60%
Rate of price inflation	3.00%	3.00%
Rate of pension increase - Post 1 January 1989 (compound)	5.00%	5.00%
Rate of pension increase - Pre 1 January 1989 (simple)	7.00%	7.00%

	Year ended 31/12/2016	Year ended 31/12/2015
	Years	Years
<b>Assumed life expectations on retirement at age 65</b>		
Male retiring today (member age 65)	23.3	23.2
Male retiring in 20 years (member age 45 today)	25.1	25.0
Female retiring today (member age 65)	25.8	25.7
Female retiring in 20 years (member age 45 today)	27.7	27.6

Notes to the Financial Statements continued..

For the year ended 31 December 2016

**Plan assets**

	Year ended 31/12/2016	Year ended 31/12/2015
	£'000	£'000
<b>Fair value of plan assets:</b>		
Equity instruments	<b>38,306</b>	34,129
Debt Instruments	<b>12,533</b>	10,158
Other	<b>1,814</b>	1,397
Cash and cash equivalents	<b>204</b>	168
<b>Total</b>	<b>52,857</b>	45,852
Actual return on plan assets	<b>8,420</b>	2,966

**Membership statistics**

	31/12/2013	31/12/2010
<b>Census date</b>		
<b>Vested deferred members:</b>		
a. Number	<b>92</b>	114
b. Average annual pension	<b>6,964</b>	5,844
c. Average age	<b>53.8</b>	52.5
<b>Pensioners and beneficiaries:</b>		
a. Number	<b>115</b>	98
b. Average annual pension	<b>14,765</b>	14,402
c. Average age	<b>72.1</b>	71.5
<b>Insured Pensioners:</b>		
a. Number	<b>9</b>	11
b. Average annual pension	<b>11,400</b>	10,400
c. Average age	<b>83.2</b>	81.7

**30. Value Added Tax Refund**

In 2009 the Group was successful in claiming two refunds (£2,038,185) of VAT and interest from HMRC which were included within that year's results. In June 2010 HMRC requested repayment of £1,547,038 from the Group. The Group appealed against HMRC's request for payment. In March 2016, an amount of £1,547,038 was deposited in an escrow account so that negotiations with HMRC could continue. At the end of 2016, the status of the refund has not yet been finalised, and negotiations continue.

## Legal and Administrative details

**Name of charity**

Royal Institute of British Architects

**Charity number**

210566

**Registered office and operational address**

66 Portland Place

London

W1B 1AD



## Trustees and Council Members

### President

Jane Duncan

---

Geoff Alsop  
(National)

---

John Assael  
(National)

---

Albena Atanassova  
(Associate member)

---

Tim Bailey  
(North East)

---

Jonathan Ball  
(National)

---

Andrew Bourne  
(Wessex)

---

Marie Braithwaite  
(Student member) to 31 August 2016

---

Robert Brown  
(South West)

---

Caroline Buckingham  
(National)

---

Ralph Carpenter  
(East) from 1 September 2016

---

Anthony Clerici  
(West Midlands)

---

John Cole  
(National)

---

Paul Crowe  
(RSUA President) from 1 May 2016

---

Russell Curtis  
(London)

---

Ben Derbyshire  
(National/Pres Elect)

---

Nela de Zoysa  
(International)

---

Ruth Donnelly  
(Yorkshire)

---

Robert Firth  
(RSAW President)

---

Jennifer Forakis  
(South)

---

Goh Chong Chia  
(International)

---

Saul Golden  
(RSUA) from 1 September 2016

---

Martin Hare  
(RSUA President) to 1 May 2016

---

Stephen Hodder  
(Imm Past President) to 31 August 2016

---

Mark Hodson  
(Yorkshire)

---

Lillian Ingleby  
(Student member)

---

Tzena James  
(National) to 31 August 2016

---

Mark Jermy  
(East Midlands)

---

Alan Jones  
(National)

---

Mark Kemp  
(South West)

---

Dominic Kramer  
(East Midlands)

---

Daniel Leon  
(National)

---

Julia McLoughlin  
(South East)

---

Owen Luder  
(National) to 31 August 2016

---

Walter Menteth  
(National)

---

Fraser Middleton  
(RIAS North) from 1 September 2016

---

Ewen Miller  
(North West)

---

Nick Mills  
(Wessex)

---

Richard Murphy  
(National) from 1 September 2016

---

Shahriar Nasser  
(London)

---

Owen O'Carroll  
(London) to 11 March 2016

---

Peter Oborn  
(London)

---

George Oldham  
(National)

---

Elsie Owusu  
(National)

---

Richard Parnaby  
(RSAW)

---

Mark Percival  
(National)

---

Vinesh Pomal  
(London)

---

Lisa Raynes  
(National)

---

Kerr Robertson  
(RIAS South)

---

Flora Samuel  
(National)

---

Roger Shrimplin  
(East)

---

Simeon Shtebunaev  
(Student member)  
from 1 September 2016

---

Kevin Singh  
(West Midlands)

---

Gordon Smith  
(RIAS North) to 31 August 2016

---

Karl Smith  
(South East) to 31 August 2016

---

Dawson Stelfox  
(RSUA) to 31 August 2016

---

Helen Taylor  
(National)

---

Meryl Townley  
(London)

---

Elena Tsolakis  
(National) from 1 September 2016

---

Carl Turner  
(London)

---

Philip Waddy  
(South)

---

Nicky Watson  
(North East)

---

Willie Watt  
(RIAS President)

---

Francesca Weal  
(East) to 31 August 2016

---

Edward Williams  
(London)

---

Chris Williamson  
(National)

---

Katie Wilmot  
(National) to 31 August 2016

---

Richard Wooldridge

---

## RIBA Board

Geoff Alsop  
Honorary Treasurer

---

Tim Bailey  
Council member

---

Caroline Buckingham  
VP Practice & Profession

---

Anthony Clerici  
VP Membership

---

Ben Derbyshire  
President Elect  
from 1 September 2016

---

Jane Duncan  
President

---

Jonathan Falkingham  
to 23 March 2016

---

Stephen Hodder  
RIBA Immediate Past President  
to 31 August 2016

---

Alan Jones  
VP Education

---

Ruth McIntosh  
External member

---

Virginia Newman  
RIBA member

---

Peter Oborn  
VP International

---

Nick Pearce  
External member

---

Roger Shrimplin  
Honorary Secretary

---

Elena Tsolakis  
Honorary Librarian  
from 29 September 2016

---

Sir John Tusa  
Chair, British Architectural Trust Board  
to 19 December 2016

---

Peter Udall  
to 29 June 2016

---

Pierre Wassenaar  
Non-executive director,  
RIBA Enterprises Ltd  
from 10 March 2016

---

Edward Williams  
Honorary Librarian  
to 29 September 2016

---

Paula Willmore  
from 29 September to  
31 December 2016

---

## Group Executive

Alan Vallance BA (Hons), FCA, FCA  
(ANZ), FAICD  
Group Chief Executive

---

Adrian Dobson BArch, MPhil, RIBA  
Executive Director Members

---

Clem Brohier ACMA, CGMA, MSc, FRSA  
Executive Director Finance and  
Operations

---

Francois Josserand MA, MSc MPhil,  
MAPM, MCIL, AMInstLM, AMBCS  
Interim Executive Director of Business  
Transformation

---

Unji Mathur BA, BSc, MA, CIPD  
Interim Executive Director People and  
Culture

---

Maxine McKenzie  
Interim Executive Director Marketing and  
Communications

---

Richard Waterhouse BArch, RIBA  
Chief Executive RIBA Enterprises

---

## Senior Staff

The RIBA's senior staff team is the group  
executive and:

Lucy Carmichael MA (Cantab), MA (RCA)  
Director of Practice

---

Mike Clarke  
Acting Director of Development

---

Clare Corbett  
Head of External Affairs

---

Steven Cross  
Director of Partnerships, RIBA Enterprises

---

Sally Davies BA, CIPD  
Head of HR

---

Marcus Deeley  
Head of International

---

Paul Drinkwater  
Head of Digital

---

Oliver Escrib  
Director of Membership

---

Wendy Fish BA, PG DipLib  
Director of Library

---

David Gloster ADip, MSc, DIC, RIBA  
Director of Education

---

William Hawkins BArch, MSc  
Director of Nations and Regions

---

Belinda Irlam-Mowbray  
Commercial Director

---

Juliet Leach  
Interim Head of Marketing

---

Moya Maxwell  
Head of Venues

---

Liam McConnell BA (Hons)  
Head of Facilities and Maintenance

---

Harvinder Phull  
Head of ICT Operations

---

Dr Kent Rawlinson FSA  
Head of Collections

---

Elizabeth Robertson BA  
Executive Director CSR and  
Special Projects

---

David Sawyer  
Director of Finance

---

Linda Stevens  
Head of Client Services

---

## External

### Principal Bankers

---

Lloyds Bank  
25 Gresham Street  
London  
EC2V 7HN

### Auditors

---

Sayer Vincent LLP  
Chartered Accountants and Statutory  
Auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

Sayer Vincent were re-appointed as the  
Group and charity's auditors during the  
year and have expressed their willingness  
to continue in that capacity.

### Solicitors

---

Capsticks Solicitors LLP  
1 St George's House East  
St George's Road  
Wimbledon  
London  
SW19 4DR

### Investment Managers

---

Schroders  
12 Moorgate  
London  
EC2R 6DA

## Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set. We provide public benefit in a number of ways – we:

- validate UK and overseas schools of architecture, ensuring a high standard of quality of higher education;
- champion the RIBA Chartered Practice scheme, which encourages universal design excellence and a high level of customer service;
- deliver the RIBA awards programme, which identifies the best newly completed projects, new and renovated, to inspire the profession to raise and maintain the standard of good architecture and a public that is more aware of the benefits of good design;
- run a free telephone Information Line that helps members of the public with matters relating to architecture, architects and construction;
- host RIBApix.com, the online resource with over 85,000 images from the RIBA collections, available free of charge as an educational resource, and to buy;
- offer free public access to the British Architectural Library, which makes available the premier architectural resource in the UK and one of the leading specialist libraries in the world;
- provide free access to the reading and study rooms at the V&A and at the RIBA's outstore, together with free online access to one of the world's premier collections of architectural art and photographs;
- offer free exhibitions at 66 Portland Place, the V&A and as possible elsewhere, which help the RIBA share its collections and promote a better understanding of architecture among a wider public audience;
- devise and deliver events and talks which highlight issues of public interest about the built environment and stimulate debate within the profession and wider community;
- work with our members to help them devise and deliver festivals, such as Love Architecture, the national celebration which encourages the general public to get involved in architecture-themed events and discover how architecture relates to everyday life;
- support our members going into schools to talk to students about the role of the architect;
- inspire children about the impact of excellent architecture through our free National Schools programme. The programme enables them to gain the skills and confidence to be part of the conversations surrounding their homes, schools and cities, as informed citizens and future clients;
- work with architects, artists and educators to deliver a programme of hands-on creative workshops, courses and drop-in events to support learners of all ages to explore, question and celebrate the architecture that defines their communities;
- invite lifelong learners and older people to explore our HQ building and undertake a range of creative digital and practical activities, to reduce social isolation and to remove barriers to learning and digital inclusion;
- run architecture.com, a free resource about architecture and a gateway to the British Architectural Library catalogue, which ensures that the RIBA collections are more readily accessible to researchers and the general public;
- partner with other like-minded organisations, such as the BBC and Open University, to extend the reach of our work with the public to target new audiences;
- support our branches through the Local Initiative Fund so that they can create exhibitions and events that engage the public in their area; and
- stand up for the consumer through our campaigns such as HomeWise, which calls on the government to improve the quality and quantity of new homes.

## Supporters

The following trusts and foundations, individuals and companies have supported the RIBA through donations, gifts in kind, grants and sponsorship of over £1,000 in 2016.

Almacantar Limited  
Amtico Company  
Arper UK Limited  
Arts Council England  
Black and White Engineering  
Blurb, Inc.  
Cityscape Digital Limited  
Clare Duffield Foundation  
Cockayne – Grants for the Arts and The London Community Foundation  
Feilden & Mawson  
Formation Architects Ltd  
Graphisoft UK limited  
Hatch Mansfield Agencies Limited (Champagne Taittinger)  
Haworth Tompkins  
Hewlett Packard Limited  
Hiscox Underwriting Limited  
Ibstock Brick Limited  
Ideal Standard  
Japan Foundation  
JTP  
Kone plc  
Little Greene Paint Company Limited  
Luxonic Lighting Limited  
Marley Eternit Limited  
Microsoft Limited  
Oasys Limited  
Ricoh UK Limited  
Roger and Sarah Bancroft Clark Charitable Trust  
Rogers Stirk Harbour & Partners  
Rosenberg Memorial Fund  
Ruskin Air Management Limited  
Sika Limited  
Skidmore Owings & Merrill Inc. (SOM)  
Starwood Hotels & Resorts, Worldwide Inc. (Le Meridien Piccadilly)

Tarmac Limited  
The American Friends of the British Library (AFBAL)  
The Austin and Hope Pilkington Trust  
The Bloxham Charitable Trust  
The Garfield Weston Foundation  
The Kirby Laing Foundation  
The Leche Trust  
The Sackler Trust  
Wedge Group Galvanizing Limited  
  
Mr John S Assael  
Mr and Mrs Edward Atkin  
Ms Linda Bennett and Mr Philip Harley  
Ms Molly Borthwick  
Mr Michael Clarkson  
Mr & Mrs Michael Cosgrove  
Mr Thomas S Croft  
Mike Davies CBE  
Mrs Rosamund Fockschaner  
Mr and Mrs James Kirkman  
Mrs Anne Kriken Mann Hon FRIBA  
Mr and Mrs Maurice Lambert  
Mr and Mrs Keith Lloyd  
Mrs Jennifer Oppenheimer  
Lord & Lady Palumbo Hon FRIBA  
Mr and Mrs Basil Postan  
Mr and Mrs Raul de Brigarde  
Mr Harry Rich  
Oliver Richards (Orms)  
Lady Jill Ritblat Hon FRIBA  
Dame Theresa Sackler Hon FRIBA  
Mr Richard Steer Hon FRIBA  
Mr Edward Williams & Contessa Laura Carrara-Cagni di Bu Meliana  
  
And all those who wish to remain anonymous.

Individuals and organisations that have supported the RIBA through gifts in kind in 2016.

Ambassador Claus Grube & Mrs Susanne Fournais Grube  
Mr Bjarke Ingels  
Mr Ben Johnson Hon FRIBA  
Mr Sune Kristensen  
Mr Jacob Kurek  
Ambassador Vivien Life  
Mr Kim Nielsen  
Mr and Mrs Stephen Peel  
Ms Anne Skovbro  
Mr Francis Sultana

And all those who wish to remain anonymous.

ISBN: 978-1-9997069-3-7

Royal Institute of British Architects  
66 Portland Place  
London  
W1B 1AD

Charity No. 210566  
Telephone: +44 (0)20 7580 5533  
[info@riba.org](mailto:info@riba.org)

RIBA   
Architecture.com