

4044051

**RICS FOUNDATION**  
**FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2002**



# RICS FOUNDATION

## CONTENTS

---

	Page
Legal and administrative information	1
Report of the trustees	2
Independent auditors' report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8

---

## **RICS FOUNDATION**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

---

#### **Constitution**

RICS Foundation is a company limited by guarantee, company number 04044051, and a registered charity, number 1085587, governed by its memorandum and articles of association.

#### **Founding Patron**

His Grace the Duke of Westminster OBE TD DL

#### **Directors and Trustees**

The directors of the charitable company ("the Foundation") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the articles of association the chairman of the board of trustees is appointed by the trustees. The members have the power to appoint any of their number to be a trustee.

*The trustees who served during the period were:*

His Grace the Duke of Westminster OBE TD DL  
Simon Kolesar, FRICS  
Louis Armstrong MA Barrister FRSA  
John Fenner OBE  
Robert Finch  
Professor Anthony Giddens  
Clara Furse  
Robert Hall  
Sir Martin Laing CBE  
Christopher Penn MRICS

Chairman (resigned 3 July 2002)  
Chairman (from 3 July 2002)  
Trustee  
Trustee  
Trustee  
Trustee (resigned AGM 13 March 2002)  
Trustee (appointed AGM 13 March 2002)  
Trustee  
Trustee  
Trustee

#### **Company Secretary**

David Fitzpatrick

#### **Registered Office**

12 Great George Street, London, SW1P 3AD, UK

#### **Auditors**

Saffery Champness, Lion House, Red Lion Street, London WC1R 4GB

#### **Bankers**

Cooperative Bank plc, Business Direct, Kings Valley, Yew Street, Stockport, Cheshire SK4 2JU

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2002**

---

The trustees are pleased to present their report together with the financial statements of the Foundation for the year ended 30 September 2002.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the 2000 SORP (statement of recommended practice) – “Accounting and Reporting by Charities”.

**Objects of the Foundation**

The objects of the Foundation are set out in the memorandum of association.

The charity is established to advance education in any subjects which concern the built and natural environments, in particular by raising awareness, by promoting research and by disseminating the results of such research, with a view to preserving, conserving and improving the built and natural environments for the benefit of all.

**Organisation**

The board of trustees of up to 15 members, who meet at least 4 times annually, administer the Foundation. The RICS has the power to nominate up to two trustees, a power which it exercises. Current nominees are Louis Armstrong and Simon Kolesar.

**Resources**

Incoming resources for the period amounted to £1,414,525 (2001: £876,211) including a grant of £ 583,333 (2001:£605,000) from the RICS to cover all of its activities. Outgoing resources amounted to £1,123,348 (2001:£709,701) of which £290,658 (2001:£233,108) related to grants made and a further £754,962 (2001:£436,883) related to other activities in furtherance of the charity's objectives.

**Investment Powers**

Under the memorandum and articles of association, the Foundation has the power to invest the monies of the Foundation not immediately required for its purposes in any way as it shall think fit and to take professional investment advice where necessary.

**Investment Policy**

The Foundation would like to establish an endowment over time. Until that is effected, the Foundation has a conservative approach to its investments, wanting to have as low a risk as possible. It has chosen therefore to have what funds it secures invested in low risk charitable deposits.

**Reserves Policy**

The Trustees policy is to review reserves levels on a regular basis and to maintain a level of reserves which will provide a stable base for the charity's continuing activities while at the same time ensuring excessive funds are not accumulated.

**Risk review**

The Trustees have reviewed the major risks to which the charity is exposed and systems have been established to mitigate those risks. The Foundation undertakes a risk assessment exercise each year and reviews how it mitigates the risks to which it is exposed.

**Review of Activities and Future Developments**

The Foundation continues to undertake a wide range of high quality research. It has organised a number of expert seminars and conferences and has disseminated both its work and the work of others, where relevant, across the world of the built and natural environments. It has continued to develop electronic methods of dissemination and its web site, with access for those with low or no sight, continues to attract praise.

The Foundation has increased its level of international activity, culminating in a major event within the World Summit for Sustainable Development in Johannesburg in August 2002. This Report is being written after the year end and it is a pleasure to report that Foundation work with the United Nations has continued; the Foundation now has "special consultative status" with the UN and has been tasked by the UN Environment Programme with collating sustainable development indicators world wide.

Our research continues to attract praise. Of special mention is our book series, now into the fourth book, and our Findings in Built and Rural Research (FiBRE) which now has some 26 publications.

The Foundation has reviewed its work during this year. It has decided to focus on a narrower range of publications and events, with an aim of helping people be more aware of the business case for sustainable development. In turn, it is intended that this will assist the Foundation in its fundraising aims. On that point the Foundation would like to thank Gensler and Argent plc for their work on the Foundation's behalf, exploring options for the future.

The trustees would like to thank the RICS for its continuing support, so vital to our work, and the trustees of the IBC Trust, once part of the Institute of Building Control, for their generous transfer of funds. This combination of funds has allowed the Foundation to build on earlier successes. The Foundation would also like to thank all those organisations with whom we collaborate and cooperate; without them, the work of the Foundation would be so much more difficult. His Grace the Duke of Westminster, having steered the Board through its initial stages, resigned on 3 July 2002 to become Founding Patron. The Board expresses its pleasure at the continuing support shown by His Grace. Finally the trustees would like to thank the staff team, and all secondees and placements. Our professional team work hard under difficult circumstances; it is much appreciated.

**Trustees' responsibilities in relation to the financial statements**

Company law requires the trustees to prepare financial statements, which give a true and fair view of the state of affairs of the Foundation at the end of the financial year and of its surplus or deficit for the period then ended. In doing so, the trustees are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in the foreseeable future.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2002 (continued)

---

**Trustees' responsibilities in relation to the financial statements (continued)**

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

A resolution will be proposed at the annual general meeting that Saffery Champness, having expressed their willingness to remain in office, be re-appointed as auditors to the Foundation for the ensuing year.

**Chairman's statement**

My fellow trustees and I are pleased that the Foundation has continued to build on its first year's work. There is no doubt that times are difficult in our sectors of land, property, construction and development. The challenge for fundraising is great. Nonetheless, our message of "prosperity with responsibility" is a message better heard now than ever before. We look forward to an exciting and successful year and to working with our Executive Director and staff team as we progress to the next phase of our development.

*By Order of the Trustees*



**Simon Kolesar FRICS**  
*Chairman*

*14th April* 2003

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

---

We have audited the financial statements on pages 6 to 12.

### Respective responsibilities of trustees and auditors

As described on page 3 the trustees, who are also the directors of RICS Foundation for the purposes of company law are responsible for the preparation of the annual report and financial statements in accordance with applicable law and United Kingdom accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

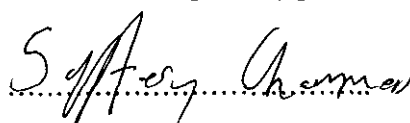
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 30 September 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Saffery Champness**

Chartered Accountants  
Registered Auditors



Lion House  
Red Lion Street  
London  
WC1R 4GB

16/10/2003

# RICS FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Note	Total 2002	Total 2001
<b>Incoming resources</b>	<b>1</b>	<b>£</b>	<b>£</b>
Grants	2	583,333	605,000
Donations		724,927	206,219
Sponsorship		47,000	60,000
Interest income		5,219	97
Other income		54,046	4,895
<b>Total incoming resources</b>		<b>1,414,525</b>	<b>876,211</b>
<b>Resources expended</b>			
<b>Costs of generating funds:</b>			
Fundraising strategy		-	10,300
<b>Net income available for charitable purposes</b>		<b>1,414,525</b>	<b>865,911</b>
<b>Charitable expenditure: In furtherance of the charity's objects:</b>			
Institutional grants	5	271,005	233,108
Individual grants	6	19,653	-
Conferences		114,147	25,418
Awareness		100,828	63,375
Research		267,660	200,395
Dissemination		204,043	147,695
Irrecoverable VAT		68,284	-
<b>Management and Administration:</b>			
Salaries		16,179	14,427
Audit		16,950	10,000
General		6,299	3,888
Consultancy		-	1,095
Irrecoverable VAT		31,297	-
Occupier.org		7,003	-
<b>Total Resources Expended</b>		<b>1,123,348</b>	<b>709,701</b>
<b>Net incoming resources for the period</b>	<b>4</b>	<b>291,177</b>	<b>166,510</b>
Balance brought forward at 30 September 2001		166,510	-
<b>Balance carried forward at 30 September 2002</b>		<b>457,687</b>	<b>166,510</b>

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 8 to 12 form part of these accounts.



# RICS FOUNDATION

## BALANCE SHEET AS AT 30 SEPTEMBER 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Tangible fixed assets	8		8,837		3,677
<b>Current assets</b>					
Cash at bank		748,476		96,227	
Trade debtors		7,932		8,696	
Other debtors – RICS		-		147,644	
- Occupier.org		184		-	
- VAT		19,833		-	
Prepayments and accrued income		865		21,017	
		<u>777,290</u>		<u>273,584</u>	
<b>Liabilities: Amounts falling due within one year</b>					
Trade creditors		39,008		32,354	
Grants due		113,525		54,600	
Other creditors – RICS		21,166		-	
- VAT		60,122		-	
Deferred income		66,667		-	
Accruals		25,952		8,347	
		<u>326,440</u>		<u>95,301</u>	
<b>Net current assets</b>			450,850		178,283
<b>Total assets less current liabilities</b>			459,687		181,960
<b>Liabilities: Amounts falling due after more than one year</b>					
Grants due			2,000		15,450
<b>Net assets</b>			<u>457,687</u>		<u>166,510</u>
<b>Funds</b>					
<b>All unrestricted</b>			<u>457,687</u>		<u>166,510</u>

The notes on pages 8 to 12 form part of these accounts.  
Approved on behalf of the Board of Trustees

*[Signature]* 2003  
*[Signature]*

# RICS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

### 1. Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

#### 1.1. Incoming Resources

Donations and Grants, including capital grants, are included in incoming resources when these are receivable.

Interest income is included when receivable by the Foundation.

#### 1.2. Resources expended

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any VAT, which cannot be recovered. Grants paid or payable in the year are treated as charges to the statement of financial activities. Grants authorised but not yet due are charged to the statement of financial activities in the year in which the obligation arises.

#### 1.3. Fund accounting

All of the charity's funds are unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the trust.

### 2. Grant received from a related party

During the period grants totalling £583,333 (2001: £605,000) were made from the RICS to the RICS Foundation. Louis Armstrong, a Trustee of the RICS Foundation, is CEO of the RICS.

### 3. Staff costs and numbers

2002                      2001

Staff costs were as follows:

Wages and salaries	271,528	243,564
Social security costs	26,476	23,711
Pension contributions	22,198	19,704
Other staff benefits	3,391	1,555
	<u>323,593</u>	<u>288,534</u>

*The average number of employees in the year was:*

	Number	Number
Full time equivalent staff	<u>7.4</u>	<u>6.0</u>

# RICS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002 (continued)

### 4. Net incoming resources for the year

This is stated after charging:

	2002 £	2001 £
Depreciation	2,185	894
Auditors' remuneration:		
- For Audit	10,000	10,000
- For other services	6,950	-
Trustees' liability insurance	-	-
	<u>          </u>	<u>          </u>

### 5. Institutional grants

#### Recipient organisation

	2002 £	2001 £
<b>Research support:</b>		
University of Ulster	250	10,000
Brook Lyndhurst	18,500	4,500
Business Strategies Limited	9,025	7,000
Centre for Advanced Built Environment Research	-	12,000
DEGW	12,925	-
Royal Holloway and Bedford New College, Egham	3,000	5,500
University of Cardiff	2,500	-
Glasgow Caledonian University	12,000	-
Harper Adams University, Newport	-	9,000
Investment Property Databank	881	-
John Ratcliffe	5,000	-
Nabarro Nathanson	1,645	-
Partnerships Online	2,000	-
Upstream	2,500	-
South Bank University	10,000	-
University of Birmingham	8,000	-
University of Reading	-	4,000
University of Sheffield	4,000	-
University College London	1,000	-
Windborne	5,000	20,000
Nottingham Trent University	<u>10,000</u>	<u>-</u>
Carried down	108,226	72,000

# RICS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2002 (continued)

### 5. Institutional grants (continued)

	2002	2001
Brought Down	108,226	72,000
College of Estate Management	5,000	-
University of New South Wales	20,000	-
KTI	2,500	-
De Montfort University	3,000	-
University of West England, Bristol	-	10,000
WSP Group Ltd	-	4,000
Institute of Real Estate	-	17,500
Corporation of London Economic Development Unit	-	5,000
Investment Property Forum, RICS London	-	1,644
Lapeco	-	10,000
Sheffield Hallam University	-	13,000
Gerald Eve	-	10,000
University of Aberdeen	8,000	5,000
Community Development Foundation	-	2,000
University of Salford	-	1,200
Other grants of less than £1,000	10,000	-
<b>Sponsorship:</b>		
Emerald	4,862	-
INSPEN	7,500	-
SUPS Limited	7,500	-
UNED Stakeholder Forum	2,500	-
University of Technology, Malaysia	5,000	-
Kluwer Publishers	6,500	-
University of Aberdeen	4,000	-
Conference on Training in Architecture Conservation	-	10,000
Global Housing Foundation	-	3,329
RMC (UK) Ltd	-	700
RICS International Operations	-	1,000
Other Grants of less than £1,000	643	-
<b>Conferences:</b>		
ARES Monograph	12,355	-
Tanzania Institution of Valuers	12,500	5,000
University of Glasgow	7,500	-
International Real Estate Society	-	6,335
United Nations Environmental Department	-	5,000
USP Solutions	-	10,500
SUPS Limited	-	7,500
<b>PhD Programmes:</b>		
Heriot-Watt University	18,920	-
University of South Pacific	3,075	-
Carried down	249,581	200,708

**RICS FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002 (continued)**

**5. Institutional grants (continued)**

	2002	2001
Brought down	249,581	200,708
<b>Prizes</b>		
UGMT Ltd	-	20,000
Brook Lyndhurst	-	5,500
Sheffield Hallam University	-	5,000
University of Westminster	-	400
Tanzania Institution of Valuers	-	1,000
University of Salford	-	500
<b>Publications:</b>		
Kluwer Academic Publishers	7,119	-
Review of Urban Regeneration	2,000	-
University of Aberdeen	6,250	-
Other grants less than £1,000	375	-
<b>Travel Grants</b>		
Bolton Institute of Higher Education	1,500	-
University of Wolverhampton	1,680	-
UNED Stakeholder Forum	2,500	-
	<u>271,005</u>	<u>233,108</u>

**6. Individual Grants**

During the year grants were made to 17 individuals (2001: None) totalling £19,653 (2001: £Nil)

**7. Taxation**

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

**RICS FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2002 (continued)**

**8. Tangible fixed assets**

**Equipment  
for events  
£**

**Cost**

At 30 September 2001

4,571

Additions

7,345

At 30 September 2002

11,916

**Depreciation**

At 30 September 2001

894

Charge for the period

2,185

At 30 September 2002

3,079

**Net book value**

At 30 September 2002

8,837

At 30 September 2001

3,677

**9. Legal status**

The Foundation is a company limited by Guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. At the year end the total of such liability was £8.

**10. Managing and administering the Foundation, and delivering its activities**

The trustees received no remuneration or reimbursement of expenses in the year ended 30 September 2002.