

**COMMISSION FOR ARCHITECTURE  
AND THE BUILT ENVIRONMENT**  
A company limited by guarantee  
(Registered number 3831652)

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2000**

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FINANCIAL STATEMENTS  
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**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2000  
FOREWORD**

**CHAIRMAN'S FOREWORD TO ACCOUNTS**

I am pleased to introduce the first published accounts of the Commission for Architecture and the Built Environment, covering the period from its establishment on 1 September 1999 to the end of March 2000.

At CAFE we have set ourselves a challenging agenda. We want to inject architecture into the bloodstream of the nation. We are seeking to bring love and care to the design process, to coax real commitment to good design from those who commission buildings and to redefine the understanding of value in architecture. And we are starting from an overriding premise that the fundamental purpose of good design and architecture is to improve the quality of life of the ordinary citizen. We want to address the obvious fact that social dysfunction so often has its roots in bad buildings and poorly-designed places and spaces – and, conversely, that buildings which raise the spirits and respond intelligently to their surroundings so often have a positive impact beyond their own four walls.

It is a strong message but a difficult one to get across. Everyone at CAFE has met the challenge with relish and at the close of an endlessly stimulating first year I think we can fairly claim to have made progress. First and foremost has been a sea-change in the thinking of Government Departments and Agencies, one that could barely have been envisaged just a couple of years ago. The Prime Minister has taken the lead in pushing for good design wherever public money is spent on capital projects. Across Government, Ministers have made great strides in taking the message down the line. The Treasury is committed to pursuing best value over lowest cost, both in PFI and conventional procurement. All major spending departments now have a design champion at Ministerial level. The Government's recent guidance note, *Better Public Buildings*, sets out a clear and compelling list of dos and don'ts for those commissioning buildings, from hospitals and schools to neighbourhood job centres. All this is real progress. I have never been more optimistic that the framework is in place for the high-quality design we all expect to be consistently delivered.

CAFE will make the most of this culture shift and the structures that are being put in place to deliver it. We have already built constructive working relationships with many public bodies, including NHS Estates, and expect to see the fruits of that in improved design across a range of public buildings – our experience of first-round PFI hospitals, for example, shows that there is considerable room for improvement.

CAFE has been busy too on other fronts. Our design review committee has advised on the design of around 80 development schemes in its first year and secured some notable improvements. Our enabling panel has given valuable advice on project development to a wide range of clients from the public and private sectors, helping on over 30 projects in its first year. We have commissioned research on the value of urban design to back up what we know intuitively about the link between the design and performance of public spaces. We are setting in place a regional policy to promote good architecture across England and help deliver the aspirations of the Urban White Paper.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2000  
FOREWORD**

All this has been achieved against a background of very limited personnel and resources. These accounts tell their own story of policies developed and initiatives launched against tight financial constraints. We have had to be light-footed and inventive in the use of resources, building alliances where possible with key partners. But we now enter 2001 in a promising position. Additional funds have been allocated to CABE under the 2000 Spending Review and we look forward to a significant increase coming on stream in 2002. A new Chief Executive and an expanded executive team are in place to expand CABE's various programmes. We are moving to new premises more in keeping with our outlook and ethos. All this amounts to a step change in our ability to deliver those initial expectations and gives us a great deal of confidence as we face the challenges of the year ahead.

Sir Stuart Lipton  
**Chairman**

13 December 2000

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2000  
COMMISSIONERS' REPORT**

The accounts have been produced in conformance with an accounts Direction given by the Secretary of State for Culture, Media and Sport on 16 May 2000. The text of the Direction is reproduced after the accounts.

**Incorporation**

The Commission for Architecture and the Built Environment (the Commission) was incorporated on 20 August 1999 as a company limited by guarantee.

**Principal activity of the Commission**

The Commission's principal activity is to advance, for the public benefit, education including aesthetic education in architecture and good design in the built environment by promoting and encouraging the promotion of high standards in all areas of architecture and by promoting an understanding of architecture and design amongst members of the public.

**Financial performance**

The accounts for the period from incorporation to 31 March 2000 show a surplus of income over expenditure of £13,137. Net Assets at 31 March 2000 amounted to £13,137.

**Creditor payment policy**

The Commission observes The Confederation of British Industry's Code of Practice. The Commission's policy is that all matured and properly authorised invoices must be paid in accordance with the terms of contracts, or within 30 days.

During the period to 29 February 2000, all the Commission's expenditure was met by its sponsor department, DCMS. In March 2000 the percentage of invoices paid within 30 days was 100%.

**Future developments and events since the end of the financial year**

Since 31 March 2000, the Commission has continued to expand. The following additional Commissioners have been appointed.

Mr Richard Feilden	(12 April 2000)
Miss Gillian Wolfe	(23 May 2000)
Mr Dickon Robinson	(5 July 2000)
Dr John Miles	(5 July 2000)

Additional members of staff have also been appointed, bringing the head count to ten as at 2 October 2000.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2000  
COMMISSIONERS' REPORT**

**Commission Members**

The following persons were members of the Commission throughout the period to 31 March 2000.

Sir Stuart Lipton (Chairman)  
Miss Sophie Andreae  
Mr Paul Finch  
Mr Sunand Prasad

Mr Ian Ritchie  
Sir Nicholas Serota  
Mr Les Sparks OBE

**Chief Executive**

The first Chief Executive, Mr Francis Golding was replaced during the period by an Acting Chief Executive, Mr Richard Butt. Since the period end, Mr Butt has been replaced by Acting Chief Executive Mr Tim Mason. A permanent Chief Executive, Mr Jon Rouse commenced employment with the Commission on 2 October 2000.

**Members of the Audit Committee**

Sir Nicholas Serota (Chairman)  
Miss Sophie Andreae  
Mr Dickon Robinson  
Dr John Miles

**Register of Members' interests**

A register of Members' interests is maintained by the Commission and held at 7 St James' Square where it is open to inspection during normal working hours.

**Political and charitable gifts**

The Commission made no political or charitable gifts during the year.

**Employee relations and communications**

Due to the size of the organisation, consultation and communication with employees takes place on an informal basis.

**Equality of opportunity**

The Commission is committed to equality of opportunity in the workplace and has policies and procedures in place to ensure that employment and advancement are judged solely on the basis of ability, qualifications and suitability for the work available.

The Commission's policy is that disablement is no bar to recruitment or to advancement within its workforce.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2000  
COMMISSIONERS' REPORT**

**Health and safety**

In accordance with the Health and Safety at Work etc., Act, it is the Commission's policy to provide and maintain safe and healthy working conditions, equipment and systems of work for all its employees, and to provide such information, training and supervision as they need for the safe conduct of operations. The Commission also accepts its responsibility under the Act for the health and safety of others who may be affected by its activities. A Health and Safety Committee has been established to monitor safety performance.

**Environmental policy**

The Commission has adopted the "Green Housekeeping Strategy" promulgated by its sponsor department, DCMS, as far as is practicable.

Signed:

Jon Rouse  
**Accounting Officer**

Sir Stuart Lipton  
**Chairman**

13 December 2000

13 December 2000

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL**

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Commission for Architecture and the Built Environment (CABE). However, it is widely accepted that such a system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting systems with an annual budget;
- procedures to review and agree the budget;
- the preparation of regular financial reports which indicate actual expenditure against the forecasts; and
- clearly defined capital investment control guidelines.

CABE has appointed an independent firm of Chartered Accountants (“the internal auditors”) to act as its internal audit unit. As CABE has only recently been established, no work had been carried out by the internal auditors prior to the period end. However, in future the work of the internal auditors will be based on a comprehensive assessment of audit needs which has been drawn up, on which cyclical annual internal audit plans will be based. The internal audit plans will be endorsed by the Commission’s Audit Committee, and approved by me. The internal auditors will provide me with an annual report on internal audit activity within CABE.

My view of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within CABE who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

As CABE continues to grow, there will be a continuous review and improvement of controls to meet changing circumstances.

As Accounting officer, I am aware of the recommendations of the Turnbull Committee and I am taking reasonable steps to comply with the Treasury’s requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance to be issued by them.

Jon Rouse  
**Accounting Officer**

13 December 2000

## **STATEMENT OF THE COMMISSION AND CHIEF EXECUTIVE'S RESPONSIBILITIES WITH RESPECT TO FINANCIAL STATEMENTS**

The Commission is required to prepare a statement of accounts for each financial year in the form and on the basis directed by the Secretary of State for Culture, Media & Sport, with the consent of the Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of the Commission's state of affairs at the year end and of its income, expenditure and cash flows for the financial year.

In preparing the accounts the Commission is required to:

- observe the accounts Direction issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Commission will continue in operation.

The Accounting Officer for the Department of Culture, Media and Sport has designated the Chief Executive of the Commission for Architecture and the Built Environment as the Accounting Officer for the Commission. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the 'Non-Departmental Public Bodies' Accounting Officers' Memorandum', issued by the Treasury and published in "Government Accounting".

**AUDITORS' REPORT TO THE MEMBERS OF  
THE COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT**

We certify that we have audited the financial statements on pages 10 to 19 which have been prepared under the accounting policies set out on pages 13 to 14.

**Respective responsibilities of the Commission, the Chief Executive and Auditor**

As described on page 7 the Commission and Chief Executive are responsible for the preparation of financial statements and for ensuring the regularity of financial transactions. The Commission and Chief Executive are also responsible for the preparation of the Foreword. Our responsibilities, as independent auditors, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

We report 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 and with the accounts direction issued by the Secretary of State for Culture, Media and Sport and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. We also report if, in our opinion, the Foreword is not consistent with the financial statements, if the Commission has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We review whether the statement on page 6 reflects the Commission's compliance with Treasury's guidance "Corporate governance: statement on the system of internal financial control". We report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements.

**Basis of 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, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commission and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission'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 that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion, we have also evaluated the overall adequacy of the presentation of information in the financial statements.

**AUDITORS' REPORT TO THE MEMBERS OF  
THE COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT**

**Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Commission for Architecture and the Built Environment at 31 March 2000 and of the surplus, total recognised gains and losses and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985 and with the accounts direction issued by the Secretary of State for Culture, Media and Sport.
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

11 January 2001

PKF  
Registered Auditor

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 MARCH 2000**

	<u>Notes</u>	£	£
<b>Income</b>			
Income from operating activities		167	
Grant-in-Aid	2	512,825	
Interest receivable		178	
		_____	
<b>Total income</b>			<b>513,170</b>
<b>Expenditure</b>			
Staff costs	3	233,713	
Other operating costs	4	267,108	
		_____	
<b>Total expenditure</b>			<b>500,821</b>
			_____
<b>Operating surplus for the year</b>			<b>12,349</b>
Reversal of notional cost of capital	1.8		788
			_____
<b>Surplus for the year and carried forward</b>	7		<b>13,137</b>
			=====

All activities are continuing.

There were no recognised gains or losses other than the surplus for the period.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
BALANCE SHEET AS AT 31 MARCH 2000**

	<u>Notes</u>	£	£
<b>Current assets</b>			
Debtors	5	62,334	
Cash at bank and in hand		24,383	
		<hr/>	
		86,717	
<b>Creditors</b>			
Amounts falling due within one year	6	(73,580)	
		<hr/>	
<b>Net current assets</b>			<b>13,137</b>
			<hr/>
<b>Total assets less current liabilities</b>			<b>13,137</b>
			<hr/> <hr/>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Accumulated surplus	7	13,137	
		<hr/>	
			<hr/>
Government funds	8		<b>13,137</b>
			<hr/> <hr/>

Signed .....  
Accounting Officer

Date .....

Signed .....  
Chairman

Date .....

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2000**

	<u>Notes</u>	£	£
<b>Net cash inflow from operating activities</b>	9		24,205
<b>Returns on investment and servicing of finance</b>			
Interest received			178
			<hr/>
<b>Increase in cash</b>	9		24,383
			<hr/> <hr/>

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**1 ACCOUNTING POLICIES**

**1.1 Basis of accounting**

The accounts have been prepared in accordance with a Direction issued by the Secretary of State for Culture, Media and Sport. The Direction is reproduced on pages 18 to 21.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of fixed assets. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and the accounting and financial reporting standards issued or adopted by the Accounting Standards Board in so far as these requirements are appropriate. The Direction exempts the Commission from the requirement to produce a note of historical cost profits and losses.

**1.2 Fixed assets**

Expenditure on fixed assets includes the purchase of office furniture and equipment and computer equipment costing over £3,000. Tangible fixed assets are included at current replacement cost less an allowance for depreciation. The valuation is revised annually by use of appropriate indices.

Surpluses or deficits on revaluation are taken to the revaluation reserve, except for any permanent diminution which is charged to the income and expenditure account when recognised.

**1.3 Depreciation**

Depreciation is charged on all tangible fixed assets at rates calculated to write down the valuation of each asset to its estimated residual value evenly over its expected useful life. Average estimated useful lives are as follows:

Fixtures and fittings	5 years
Computers and information technology	3 years

Fixed assets are depreciated in the year of acquisition, but not in the year of disposal.

**1.4 Grant-in-Aid**

Grant-in-Aid provided by the Department of Culture, Media and Sport for revenue expenditure purposes is credited to the Income and Expenditure Account on receipt. Grant-in-Aid applied to the purchase of tangible fixed assets is credited to the deferred grant-in-aid account and released to the income and expenditure account over the estimated operational lives of the related assets.

**1.5 Operating income**

Operating income is shown net of trade discount, VAT and other taxes.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**1.6 Pensions**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is non-contributory and unfunded.

Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

**1.7 Foreign currency**

Transactions denominated in foreign currency are translated at the rate of exchange ruling on the date of the transaction unless covered by a forward contract. Assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the balance sheet date.

Transaction and translation gains and losses are credited or charged to the Income and Expenditure Account.

**1.8 Capital charge**

In line with HM Treasury requirements, a capital charge reflecting the cost of capital employed is calculated at 6% of average net assets employed during the year and included in operating costs. In accordance with Treasury guidance the notional charge is credited back to the Income and Expenditure Account before taking the result for the year to the general reserve.

**1.9 Grants paid**

Grants paid are accounted for on an accruals basis.

**2 GRANT-IN-AID**

Grant-in-Aid of £512,825 was received from the Department of Culture, Media and Sport. This was used solely for revenue purposes and was credited to the Income and Expenditure Account.

The Commission was granted Grant-in-aid status on 1 March 2000, and received Grant-in-aid of £131,713 (after deduction of the repayment made to meet the End of Year flexibility rules) in March 2000. The balance of £381,112 represents amounts expended by the Department of Culture, Media and Science on behalf of the Commission in the period up to 29 February 2000. This has been treated as Grant-in-aid paid in the accounts of the Department.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**3 STAFFING**

**Staff costs**

	<b>£</b>
Salaries and wages	213,286
Social security costs	8,126
Superannuation	12,301
	233,713

**Superannuation**

The employees of the Commission are Civil Servants to whom the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply. The contributions in the period of £12,301 were calculated at rates determined from time to time by the Government Actuary and advised by the Treasury. For this period these rates were as shown below:

£14,500 and under	12.0%
£14,501 to £30,000	13.5%
£30,001 to £52,000	16.5%
£52,001 and over	18.5%

**Staff numbers**

The Commission counts the number of staff in post to include all permanent, fixed term and temporary staff of all types who are paid as employees through the payroll. On this basis the average number of whole-time equivalent persons (including senior management) employed during the year was 5.

**Remuneration of senior employees:**

**Chief Executive**

	<b>£</b>
F Golding:	
Salary	25,714
Termination payment	21,000
Consultancy fees	14,430
Superannuation	2,712
	63,856

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**3 STAFFING (Continued)**

R Butt:

Consultancy fees	29,525
Superannuation	-
	29,525
	29,525

“Salary” includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowance to the extent that it is subject to UK taxation.

As noted above under Superannuation, pension benefits are provided through the PCSPS which provides benefits on a “final salary” basis at a normal retirement age of 60, except that certain members have reserved rights to a retirement age of 65. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years pension is payable on retirement.

Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

**Remuneration of Commission and Committee Members**

The Commission comprises both senior management and external appointees. The remuneration of senior management is included above. The total cost of external Commission appointments in the period was £16,100 and external Commission appointees’ remuneration excluding pension contributions was in the following ranges:

Range	Number
£1 - £4,999	6

The Commission reimburses travel and subsistence expenses necessarily incurred by Commission members attending meetings or undertaking other tasks arising from their membership, in accordance with the conditions and at the rates applying to the Commission’s employees. Commission members do not become members of a pension scheme and there are no superannuation payments relating to the fees paid to them.

Sir Stuart Lipton (Chairman) waived his right to remuneration for the period.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

<b>4</b>	<b>OTHER OPERATING COSTS</b>	<b>£</b>
	Grants	54,461
	Travel, subsistence and allowances	7,362
	Rent, rates and maintenance	114,879
	Administration expenses	41,667
	Auditors' remuneration	7,000
	Professional fees	40,951
	Notional cost of capital (Note 1.8)	788
		<hr/>
		<b>267,108</b> <hr/> <hr/>
<b>5</b>	<b>DEBTORS</b>	
	<b>Amounts falling due within one year:</b>	
		<b>£</b>
	Prepayments	62,334
		<hr/>
		<b>62,334</b> <hr/> <hr/>
<b>6</b>	<b>CREDITORS</b>	
	<b>Amounts falling due within one year:</b>	
		<b>£</b>
	Trade creditors	5,218
	Other creditors	55,199
	Accruals	13,163
		<hr/>
		<b>73,580</b> <hr/> <hr/>
<b>7</b>	<b>RESERVES</b>	<b>£</b>
	<b>Accumulated surplus</b>	
	Surplus for the period and at 31 March 2000	13,137
		<hr/> <hr/>

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**8 RECONCILIATION OF MOVEMENTS IN GOVERNMENT FUNDS**

	<b>£</b>
Surplus for the period	13,137
	<hr/>
Movement in government funds in the period and net funds at 31 March 2000	13,137
	<hr/> <hr/>

**9 RECONCILIATION OF THE OPERATING SURPLUS TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	<b>£</b>
Operating surplus	12,349
(Increase) in debtors	(62,334)
Increase in creditors	73,580
Cost of capital charge	788
Interest received	(178)
	<hr/>
<b>Net cash inflow from operating activities</b>	<b>24,205</b>
	<hr/> <hr/>

**10 ANALYSIS OF CHANGES IN CASH DURING THE PERIOD**

	<b>£</b>
Net cash inflow and balance at 31 March 2000	24,383
	<hr/> <hr/>

**11 CONTINGENT LIABILITIES**

There are no material contingent liabilities which have not been provided for in the financial statements.

**COMMISSION FOR ARCHITECTURE AND THE BUILT ENVIRONMENT  
NOTES TO THE ACCOUNTS  
FOR THE PERIOD ENDED 31 MARCH 2000**

**12 RELATED PARTY TRANSACTIONS**

The Commission for Architecture and the Built Environment (the Commission) is a Non-Department Public Body (NDPB) sponsored by the Department of Culture, Media and Sport (DCMS).

DCMS is regarded as a related party. During the year, the Commission had various material transactions with DCMS.

**13 POST BALANCE SHEET EVENTS**

There have been no events since the end of the period which would affect the understanding of the accounts.

## THE COMMISSION FOR ARCHITECTURE AND BUILT ENVIRONMENT

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR CULTURE, MEDIA & SPORT, with the approval of the Treasury, in accordance with the Memorandum and Articles of Association of the Commission for Architecture and the Built Environment, and the Financial Memorandum.

1. The Commission for Architecture and the Built Environment (the “Commission”) shall prepare accounts for the financial year ended 31 March 2000, and subsequent financial years comprising:
  - a a foreword
  - b an income and expenditure account
  - c a balance sheet
  - d a cash flow statement; and
  - e a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
2. If the Commission has subsidiary undertakings (either currently in existence, or to be established), the statements referred to in paragraph 1 shall be prepared on a consolidated basis. In addition, there shall be a balance sheet in respect of the Commission alone, with relevant notes. When preparing the consolidated accounts, the Commissioners shall observe all relevant guidance issued by the Treasury and by the Department.
3. The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
4. Subject to this requirement, the accounting officer of the Commission, when preparing the accounts, shall comply with:
  - a generally accepted accounting practice in the United Kingdom (UK GAAP), and Companies Act Requirements, where applicable;
  - b the disclosure and accounting requirements contained in the Fees and Charges Guide (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view.
  - c the accounting and disclosure requirements given in Government Accounting and in Executive NDPB’s: annual reports and accounts guidance, as amended or augmented from time to time,insofar as these are appropriate to the Commission and are in force for the financial year for which the statement of accounts is to be prepared.
5. The Financial Reporting Standard for Smaller Entities (FRSSE) should not be adopted unless specifically approved by the Department and the Treasury.

6. Clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.
7. The income and expenditure account and balance sheet shall be prepared under the modified historical cost convention, by the inclusion of:
  - a fixed assets at their value to the business by reference to current costs; and
  - b stocks at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.
8. Fundamental or material changes in accounting policies, such that they do not conform with the best commercial accounting practice shall be discussed and agreed with the Department and the Treasury before implementation.
9. The foreword and balance sheet shall be signed by the Accounting Officer and dated, and all the other pages initialled.
10. This Accounts Direction shall be reproduced as an appendix to the accounts, or a reference made in the accounts, setting out where a copy can be obtained.

**Signed by Authority of the Secretary of State for Culture, Media & Sport**

16 May 2000

**Application of the Accounting and Disclosure Requirements of the Companies Act and Accounting Standards**

**Companies Act**

1. The disclosure exemptions permitted by the Companies Act, relating to small entities shall not apply to the Commission unless specifically approved by the Treasury.
2. The Companies Act requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to the Commission shall be contained in the **foreword**.
3. When preparing its **income and expenditure account**, the Commission shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the Companies Act.
4. When preparing its **balance sheet**, the Commission shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies Act. The balance sheet totals shall be struck at 'Total assets less current liabilities'.
5. The Commission is not required to provide the additional information required by paragraph 33(3) of Schedule 4 to the Companies Act.

**Accounting Standards**

6. The Commission is not required to include a note showing historical cost profit and losses as described in FRS 3.

**Additional Disclosure Requirements**

1. This schedule details the non-standard accounting policies, any special treatment needed, and any additional disclosure requirements as agreed by the Treasury, the Department and the Commission.
2. The **foreword** shall, inter alia:
  - a state that the accounts have been prepared in a form directed by the Secretary of State with the consent of Treasury.
  - b include a brief history of the Commission and its background.
  - c a note reflecting the organisational structure of the Commission.
3. The **notes to the accounts** shall, inter alia, include:
  - a details of the key corporate financial targets set by the Secretary of State together with the performance achieved;
  - b details of the remuneration paid to the Commissioners;
  - c the remuneration of the Chief Executive;
  - d the remuneration of the Senior employees to be shown in bands of £10,000 starting from £40,000 upwards;
  - e a note to the accounts indicating the form of control exercised by the Commission over all its trading companies and trust funds