

99:00

ROSPA
The Royal Society for the
Prevention of Accidents



**Report and
Accounts | 99:00**

Report of the Executive Committee

The Royal Society for the Prevention of Accidents

The Executive Committee presents the Annual Report and Accounts of the Group for the year ended 31 March 2000. The Group consists of the Royal Society for the Prevention of Accidents and its subsidiary company, RoSPA Enterprises Limited.

Review of business

The Group surplus for the financial year was £14,408 (1999 a deficit: £219,306) consisting of a trading deficit of £38,546 (1999: £300,711) less interest receivable of £28,791 (1999: £49,159), investment income £18,762 (1999: £14,872), and unrealised gains on investment assets £5,401 (1999: £17,374).

The Group's general reserves stand at £1,077,558 (1999: £1,063,150) which the directors believe are fully required to support the continuing activities.

Reserves policy

The Society maintains a level of reserves to ensure it has sufficient funds to provide its service, pay its staff and creditors, allow for possible maternity, sickness or redundancy payments, keep its properties in good repair, pay for insurance, replace equipment etc.

The necessary level of Reserve is reviewed annually. The current level of £1,077,558 is considered by the Trustees to be appropriate at this time, but the aim is to increase it in future years to a level that would allow the business to continue for a full year with no income.

Principal activity

There has been no change in the principal activity of the Society and its subsidiary, which is the promotion of the prevention of accidents.

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Society and Group and of the incoming resources and application of resources of the Group for that period. In preparing those accounts, the directors are required to

- *select suitable accounting policies and then apply them consistently;*
- *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 accounts; and*
- *prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.*

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

Directors

The members of the Executive Committee are the directors of the Society. The members who served during the financial year were:-

Lord Astor of Hever – President
(Retired 22 October 1999)
Lord Davies of Oldham – President
(Deputy president to October 1999 Elected President 22 October 1999)
Mr J R Barrell OBE
Mr D Botterill
(Retired 22 October 1999)
Mr D J Chapman
(Appointed 22 October 1999)
Mrs M Craig MBE
Sir John Cullen
Dr D Giachardi
(Appointed 22 October 1999)
Ms J Harper
(Retired 25 February 2000)
Dr R P Kanas
(Appointed 22 October 1999)
Mr C Kay
Mr D A C Lambert
Mr A Martin
Mr R A P Mellor
Dr C N Morton OBE
(Appointed 22 October 1999)
Mr J N D Pritchard
Mr C Purser
Mr I M Rickwood
(Appointed 22 October 1999)
Dr J E Sellars CBE
Mr T A Stokes
(Appointed 25 February 2000)
Mr R A Steer
Mr J M Totterdell MBE
Mrs J Willis
(Appointed 22 October 1999)

By Order of the Executive Committee

Dr J D Hooper – Secretary
Registered Office:
Edgbaston Park,
353 Bristol Road,
Birmingham B5 7ST.

Accounting policies

for the year ended 31 March 2000



1. The consolidated financial statements on pages ii to xi, which are prepared under the historical cost convention as modified for the revaluation of investments and in accordance with applicable accounting standards and in accordance with the Statement of Recommended Practice, "Accounting by Charities", incorporate the financial statements of RoSPA ("the Society") and its subsidiary, RoSPA Enterprises Limited.
2. Fixed assets are stated as historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value as follows:-
Freehold buildings over 50 years
Leasehold properties over term of lease
Fixtures and equipment . . . 10% reducing balance basis
Computer equipment over 3 years
3. Stocks comprise printed and other materials for resale and are stated at the lower of cost and net realisable value.
4. Subscriptions are receivable on varying dates throughout the year and are apportioned on a time basis, the proportion received in advance being carried forward in the balance sheet.
5. Where funding is provided by way of grants and sponsorship, the monies are separately accounted for as Restricted Funds and applied to the projects specified by their providers. Grant income is accounted for on the accruals basis.
6. The expected cost of providing benefits under the Society's defined benefit pension scheme is charged in the statement of financial activities so as to spread the costs of pensions over the service lives of employees. Variations from the regular cost are spread over the average expected remaining service lifetime of current employees. The pension cost is assessed in accordance with the advice of qualified actuaries.
7. Reverse premiums received on the inception of the Edgbaston Park lease are accounted for as deferred income. This deferred income is then amortised over five years, being the period to the first rent review date.
8. The investments are stated at their market value at the year end.
9. Voluntary work is not included within these financial statements.
10. The company has funded a fundraising and marketing department for a number of years, the costs being met from the monies generated from its unrestricted activities.
11. Annual rentals on operating leases are charged to the statement of financial activities on a straight line basis over the lease term.
12. The subsidiary undertaking makes up accounts to 31 March, and their results and net assets are included in the Group accounts.

Consolidated statement of financial activities

for the year ended 31 March 2000

	2000 £	2000 £	2000 £	1999 £
	Unrestricted	Restricted		
Incoming resources				
Grants from government departments <i>Note 1</i>	-	821,039	821,039	748,119
Sponsorship	-	289,600	289,600	260,860
Subscriptions and donations	919,310	-	919,310	930,158
Publications and other material	670,881	-	670,881	897,963
Training courses	3,035,009	-	3,035,009	2,747,315
Advertising revenue and sundry sales	173,188	-	173,188	188,396
Conferences and exhibitions	199,823	-	199,823	269,877
Net income of trading subsidiary <i>Note 2</i>	340,865	-	340,865	263,989
Net gain on disposal of fixed assets	443	-	443	12,671
	5,339,519	1,110,639	6,450,158	6,319,348
Bank interest receivable	28,791	-	28,791	49,159
Investment Income	18,762	-	18,762	14,872
Total incoming resources	5,387,072	1,110,639	6,497,711	6,383,379
Resources expended				
Direct charitable expenditure:				
Home and Water Safety	97,170	569,320	666,490	670,039
Road Safety	403,589	572,039	975,628	949,179
Occupational Awards Scheme	207,289	98,460	305,749	292,819
Training	1,787,123	-	1,787,123	1,581,633
Policy, Research and Information	1,403,328	-	1,403,328	1,984,106
	3,898,499	1,239,819	5,138,318	5,477,776
Other expenditure:				
Management and administration of the Charity ..	1,350,386	-	1,350,386	1,142,283
Total resources expended <i>Note 3</i>	5,248,885	1,239,819	6,488,704	6,620,059
Net incoming (outgoing) resources before transfers ..	138,187	(129,180)	9,007	(236,680)
Transfers between funds	(129,180)	129,180	-	-
Net incoming/(outgoing) resources <i>Note 4</i>	9,007	-	9,007	(236,680)
Unrealised gains on investment assets <i>Note 7</i>	5,401	-	5,401	17,374
Net Movement in Funds	14,408	-	14,408	(219,306)
Fund balances brought forward at 1 April 1999	1,063,150	-	1,063,150	1,282,456
Fund balances carried forward at 31 March 2000	1,077,558	-	1,077,558	1,063,150

Consolidated income and expenditure account

for the year ended 31 March 2000

	2000 £	1999 £
Gross income of continuing operations	6,108,850	6,042,688
Net gains from disposal of fixed assets	443	12,671
Non Charitable trading activities	340,865	263,989
Total income of continuing operations	6,450,158	6,319,348
Total expenditure of continuing operations	6,488,704	6,620,059
Net Trading deficit for the year	(38,546)	(300,711)
Bank interest receivable	28,791	49,159
Investment Income	18,762	14,872
Net income/(expenditure) for the year	9,007	(236,680)

All income has been generated from continuing activities

There is no material difference between the result as disclosed in the income and expenditure account and the result on an unmodified historical cost basis.

All recognised gains and losses in the current year and prior year are included in the income and expenditure account.

Balance sheet

as at 31 March 2000

	Group		Society	
	2000	1999	2000	1999
	£	£	£	£
Fixed assets				
Tangible Assets Note 5	430,169	535,270	430,169	535,270
Investment Note 6	-	-	2	2
	430,169	535,270	430,171	535,272
Current assets				
Short Term Investments Note 7	522,775	517,374	522,775	517,374
Stocks Note 8	160,443	141,425	160,443	141,425
Debtors Note 9	1,066,506	1,303,561	1,041,556	1,258,772
Cash and deposits Note 10	1,009,563	774,730	926,780	661,031
	2,759,287	2,737,090	2,651,554	2,578,602
Current liabilities				
Creditors: amounts falling due within one year Note 11	2,111,898	2,209,210	2,004,167	2,050,724
Net current assets	647,389	527,880	647,387	527,878
Total assets less current liabilities	1,077,558	1,063,150	1,077,558	1,063,150
Income Funds Note 12	1,077,558	1,063,150	1,077,558	1,063,150

The annual accounts on pages i to xi were approved by the Executive Committee on 23 June 2000 and were signed on its behalf by
Lord Davies of Oldham

J N D Pritchard

Consolidated statement of cash flow

for the year ended 31 March 2000

	2000		1999	
	£	£	£	£
Net cash inflow/(outflow) from operating activities <i>Note 13</i>		316,752		(584,958)
Taxation		-		19,200
Investing Activities				
Purchase of tangible fixed assets	(82,362)		(71,986)	
Proceeds from sale of tangible fixed assets ...	443		73,908	
Purchase of short term investments	-		(500,000)	
Decrease in cash on deposit	-		821,933	
Net cash outflow from investing activities ...		(81,919)		323,855
Increase / (Decrease) in cash and cash equivalents ...		234,833		(241,903)
Cash and Equivalents at 31 March 1999		774,730		1,016,633
Cash and Equivalents at 31 March 2000		1,009,563		774,730

Notes to the accounts

for the year ended 31 March 2000

1 Grants from government departments	2000	1999
	£	£
Department of the Environment, Transport and The Regions	261,250	261,250
The Scottish Executive, Development Department	69,940	65,707
Welsh Office	57,600	58,360
Northern Ireland Department of the Environment	49,551	49,525
Department of Health, Social Services & Public Safety (NI Home Safety Grant)	58,278	50,273
Department of Trade & Industry	174,420	170,004
Home Office	17,000	17,000
The Scottish Executive, Health Department	93,000	76,000
Department of Health	40,000	-
	821,039	748,119

2 Net income from trading activities of subsidiary

The Charity has a wholly owned subsidiary, RoSPA Enterprises Limited, as disclosed in Note 6 to the accounts. A summary of its trading results is shown below:

Turnover	1,164,976	891,446
Cost of sales	(810,418)	(596,871)
Gross profit	354,558	294,575
Administrative expenses	(13,693)	(30,586)
Net profit	340,865	263,989
Amount covenanted to RoSPA	(340,865)	(263,989)
Retained in subsidiary	-	-

As permitted by Section 230(3) of the Companies Act 1985, the Society has not presented its own income and expenditure account. The amount of deficit for the financial year dealt with in the accounts of the Society is £326,457 (1999 deficit £483,295)

3 Analysis of total resources expended	Staff Costs	Other Costs	Depreciation	Total 2000	Total 1999
	£	£	£	£	£
Direct Charitable Expenditure	2,533,912	2,459,383	145,023	5,138,318	5,477,776
Management and administration of the Charity	874,224	433,722	42,440	1,350,386	1,142,283
	3,408,136	2,893,105	187,463	6,488,704	6,620,059

Notes to the accounts

for the year ended 31 March 2000

4 Net incoming/(outgoing) resources for the year are stated after charging	2000 £	1999 £
Wages and salaries	2,741,709	2,607,951
Social security costs	198,629	212,141
Other pension costs	207,668	207,414
Other related costs	672,623	752,532
Accounted for in subsidiary	(412,493)	(312,860)
	3,408,136	3,467,178

Hire of vehicles and computer equipment	439,230	250,078
Other operating leases	377,866	355,336
Depreciation of tangible fixed assets	187,463	210,783
Indemnity insurance premium	8,210	17,250
Fees paid to auditors		
For audit services	11,000	13,000
For non audit services	-	250

5 Tangible fixed assets- Group and Society		Freehold land & buildings	Short lease- hold property	Office Equipment	Computer Equipment	Total
		£	£	£	£	£
Cost	As at 31 March 1999	72,597	49,921	575,153	476,898	1,174,569
	Additions	-	16,874	18,883	46,605	82,362
	Disposals	-	-	-	(31,727)	(31,727)
	As at 31 March 2000	72,597	66,795	594,036	491,776	1,225,204
Depreciation	As at 31 March 1999	14,906	19,367	255,984	349,042	639,299
	Charge for year	726	5,809	82,980	97,948	187,463
	Disposals	-	-	-	(31,727)	(31,727)
	As at 31 March 2000	15,632	25,176	338,964	415,263	795,035
Net book value						
	As at 31 March 2000	56,965	41,619	255,072	76,513	430,169
Net book value						
	As at 31 March 1999	57,691	30,554	319,169	127,856	535,270
<i>The net book value at 31 March 2000 represents fixed assets used for :</i>						
	Direct charitable purposes	56,965	41,619	195,240	58,566	352,390
	Management and administration of the Charity	-	-	59,832	17,947	77,779
		56,965	41,619	255,072	76,513	430,169

Notes to the accounts

for the year ended 31 March 2000

6 Investment – Society	2000 £	1999 £
Shares in subsidiary undertaking	2	2

The Society owns 100% of the issued share capital of RoSPA Enterprises Limited, a company registered in England and Wales. The principal activity of the Society is the promotion and sale of safety goods and services. At 31 March 2000 the capital and reserves of RoSPA Enterprises Limited were £2 (1999:£2)

7 Short Term Investments	2000 £	1999 £
Market value as at 31 March 1999	517,374	–
Acquisitions at cost	–	500,000
Net gain on revaluation at 31 March 2000	5,401	17,374
Market value as at 31 March 2000	522,775	517,374

As at 31 March 2000 the investments comprise 78,534 Charinco Distribution Units and 93,733 Charishare Distribution Units managed by Mercury Asset Management as follows:

	Historic Cost	Market Value	Investment Income
Charinco Distribution Units	150,000	149,529	8,639
Charishare Distribution Units	350,000	373,246	10,123
	500,000	522,775	18,762

8 Stocks – Group and Society	2000 £	1999 £
Finished goods for resale	160,443	141,425

9 Debtors	Group		Society	
	2000 £	1999 £	2000 £	1999 £
Trade debtors	673,097	853,586	499,806	680,466
Amounts owed by subsidiary undertakings	–	–	148,341	128,331
Other debtors	87,828	194,967	87,828	194,967
Prepayments	305,581	255,008	305,581	255,008
	1,066,506	1,303,561	1,041,556	1,258,772

Included within prepayments is an amount of £64,900 which relates to the excess of pension contributions paid over pension costs. As stated in Note 21, this amount is being amortised to the income and expenditure account over 14 years. This being the expected remaining service lifetime of current employees.

Notes to the accounts

for the year ended 31 March 2000



10 Cash and deposits	Group		Society	
	2000 £	1999 £	2000 £	1999 £
Cash at bank and in hand	509,563	274,730	426,780	161,031
Short term bank deposits	500,000	500,000	500,000	500,000
	1,009,563	774,730	926,780	661,031

11 Creditors: amounts falling due within one year	Group		Society	
	2000 £	1999 £	2000 £	1999 £
Trade creditors	501,666	535,138	501,666	534,565
Social security and other taxes	246,814	271,491	194,278	201,880
Accruals	414,534	392,786	359,339	304,484
Deferred income	848,884	809,795	848,884	809,795
Reverse premium	100,000	200,000	100,000	200,000
	2,111,898	2,209,210	2,004,167	2,050,724

The reverse premium of £100,000 represents the unamortised cash contribution to fitting out costs received from the landlord and is being amortised over the five year period to the inception of the first rent review date.

12 Unrestricted Funds – Group and Society	Income Funds	Revaluation Reserve	Total
As at 31 March 1999	1,045,776	17,374	1,063,150
Unrealised gain on investments	17,374	(17,374)	-
Surplus (deficit) for the year	14,408	-	14,408
As at 31 March 2000	1,077,558	-	1,077,558

13 Cash flow from operating activities	2000 £	1999 £
Net income/(expenditure) for the year	9,007	(236,680)
Profit on sale of fixed assets	(443)	(12,671)
Amortisation of reverse premium	(100,000)	(100,000)
Depreciation	187,463	210,783
(Increase)/decrease in stocks	(19,018)	48,428
Decrease/(increase) in debtors	237,055	(422,127)
Decrease in creditors net of deferred income and reverse premium	(36,401)	(55,737)
Increase/(decrease) in deferred income	39,089	(16,954)
	316,752	(584,958)

Notes to the accounts

for the year ended 31 March 2000

14 Analysis of changes in net funds	1999 £	Cash Flows £	2000 £
Cash at bank and in hand	274,730	234,833	509,563
Short term bank deposits	500,000	-	500,000
Net funds	774,730	234,833	1,009,563

Management of liquid resources shown in the statement of cash flow comprises movements in short term bank deposits, which have maturity dates of up to three months.

15 Related Party Transactions	2000 £	1999 £
Profit of subsidiary covenanted to Society	340,865	263,989
Amounts owed by subsidiary undertakings	148,341	128,331

16 Commitments under operating leases – Group and Society	Land and buildings £	Other £
<i>As at 31 March 2000 there were annual commitments under non-cancellable operating leases which expire as follows:</i>		
Less than one year	-	-
Between one and five years	-	174,228
After five years	377,866	-
	377,866	174,228

There were capital commitments of £12,410 as at 31 March 2000 (1999 :£nil)

17 Comparative Figures

Certain of the comparative figures for 1999 have been restated to ensure consistency with the disclosure for the year ended 31 March 2000. The restatements have no effect on the reported results for the year ended 31 March 1999 or 2000.

Notes to the accounts

for the year ended 31 March 2000



18. Employees

The average number of persons employed by the Society during the year was 136 (1999:141)

There were 4 employees who earned in excess of £40,000 during the year (1999:3) as follows:

	2000	1999
£40,000– £49,999	1	0
£50,000– £59,999	2	2
£70,000– £79,999	1	1

19. Directors' remuneration

The members of the Executive Committee who are the directors of the Society, receive no remuneration for their services to the Society except for incidental expenses. The total of incidental expenses for the year amounted to £16,714.

20. Status

The Society is a Company registered in England (No. 231435), limited by guarantee and having no share capital. There were 5,904 registered members at 31 March 2000 (1999: 6,285), who are liable to contribute 50p each in the event of the Society being wound up.

The Society is a registered charity (No. 207823) and its objects are set out in its Articles of Association. As a charity the Society is exempt from corporation tax.

21. Pension commitments

The Society operates a pension plan, providing benefits which are based on members' salaries near retirement, death, or withdrawal.

Contributions are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives. The assets of the plan are held under trust, separately from the Society. The contributions to the plan have been determined by a qualified actuary using the projected unit method. The most recent actuarial valuation was at 1 September 1998. The principal financial assumptions made in that valuation were that investment returns would average 9% per annum, salaries will increase at 6% per annum, and that dividends would grow at 5.25% per annum. The market value of assets (excluding AVCs) at the valuation date was £5,585,000. The actuarial value of the assets was sufficient to cover 91% of benefits accrued to the valuation date allowing for projected increases in earnings, resulting in a deficit of £420,000.

On the Minimum Funding Requirement basis, the valuation showed a funding level of 93%, and a deficit of £424,000.

The pension cost for the period was £212,000 (1999: £207,414). This after making a charge of £4,600 (1999: £14,785) in respect of the amortisation of the deficit over 14 years, the expected remaining service lifetimes of current employees.

A debtor of £64,900 (1999: £69,508) is included in the balance sheet being the excess of contributions paid over pension costs.



Report of the auditors

for the year ended 31 March 2000

To the Committee of The Royal Society for the Prevention of Accidents

We have audited the financial statements on pages i to xi which have been prepared under the historical cost convention and the accounting policies set out on page i.

Respective responsibilities of Committee and Auditors

As described in the report of the Executive Committee, the Committee, who are also the directors of the Royal Society for the Prevention of Accidents for the purpose of company law, are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

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 and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee 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 that 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 group and charitable company's state of affairs as at 31 March 2000 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.

BDO STOY HAYWARD

**Chartered Accountants and Registered Auditors
Birmingham B 1 2BJ**

15 August 2000

Statement on Corporate Governance

for the year ended 31 March 2000

The Society supports the recommendations of the Cadbury, Greenbury and Hampel Committees' reports on corporate governance, now enshrined in the Combined Code.

The governing body of the Society is the Executive Committee whose membership comprises the Honorary Officers, nominated individuals and co-opted members.

At present the Executive Committee consists of 20 members and meets five times a year. All Executive members have access to the advice and services of the Society's Chief Executive.

The general running of the Society from month to month is delegated to the Finance & Management Committee which meets six times a year. The Remuneration Committee advises on the remuneration of the Chief Executive and senior members of the staff and meets as necessary.

The Safety Policy Committee meets four times a year, as does the Business Development Committee.

In addition, the policies of the Society are greatly assisted by five national Safety Committees which meet three or four times a year and include outside experts.

The Executive Committee, through the Finance & Management Committee, is responsible for the Society's systems of internal financial control.

Following the publication of the combined Code, the Institute of Accountants in England and Wales has convened a working party to produce guidance on the scope, extent, nature and review of internal controls to which the Code refers. Until the guidance has been

published, the Society will continue to comply with existing requirements on internal controls and financial reporting, resulting from the recommendations of the Cadbury Committee published in 1994.

The key factors of the internal financial control system that operated throughout the period covered by the financial statements were:

- *Communication of ethical values and a controls awareness through written codes of conduct, formal standards of discipline and employee performance appraisal.*
- *A system of internal review and monitoring of the key areas of risk*
- *Regular consideration by the Finance & Management Committee of Management Accounts and variations from budget*
- *Discussions with the external auditors with regard to the controls and the content of the reports to management*

The Finance & Management Committee acknowledges that there are inherent limitations in any system of internal financial control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets.

The Executive Committee considers that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going-concern basis continues to be adopted in preparing the financial statements.

RoSPA Auditors

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