

**THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS  
(a company limited by guarantee)**

**Report and Financial Statements**

**Year ended 31 March 2011**

**Charity No: 207823 for England and Wales  
Charity No: SCO39289 for Scotland**

**Company No: 231435**

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## Reference and Administrative Details

### Legal Status

The Royal Society for the Prevention of Accidents (RoSPA) is a registered charity No.207823 and a Company registered in England and Wales No.231435 and Scotland SCO39289, limited by guarantee and having no share capital. There were 4,294 members as at 31 March 2011 who are liable to contribute 50p each in the event of the Society being wound up.

### Trustees

Lord Jordan of Bournville CBE - President

Mr I J Walker - Chairman

Mr E Wiles – Vice Chairman

Mr I Bucknell – Hon Treasurer

Mr S N H Boardman-Weston

Resigned 12<sup>th</sup> November 2010

Mr P Hughes MBE

Resigned 12<sup>th</sup> November 2010

Ms B Evans

Dr R P Kanas

Resigned 12<sup>th</sup> November 2010

Mr R Wilkes

Resigned 12<sup>th</sup> November 2010

Mr J Clayton

Mr E L Clark

Mr M Hampson

Dr D Lloyd

Mrs M O'Mahony

Mr M Parker CBE

### Deputy President

Lord Hunt of Wirral MBE

### Chief Executive

Mr T Mullarkey MBE

### Company Secretary

Mr M Penny

### Registered Office

RoSPA House, 28 Calthorpe Road, Edgbaston, Birmingham, B15 1RP

### Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

### Bankers

LloydsTSB Bank plc, 142 Edgbaston Park Road, Birmingham, B15 2TY

### Solicitors

Cobbetts LLP, 1 Colmore Square, Birmingham, B4 6AJ

### Fund Managers

Gerrard Investment Management Ltd, Temple Court, 1 Colmore Square, Birmingham, B4 6ES

## **Objectives, Activities, Achievements and Performance**

RoSPA's Mission and Vision were reviewed and changed during the 2007/8 financial year. As a result, RoSPA's focus moved from one of influencing others to one of making a practical difference to people's lives.

RoSPA's Mission:  
**To save lives and reduce injuries**

RoSPA's Vision:  
**To lead the way in accident prevention**

How RoSPA delivers its new Mission and Vision remains largely unchanged, although there is a greater emphasis on demonstrating the effectiveness of the work that RoSPA does. RoSPA seeks to effect change through its work as a promoter of key issues and as a provider of relevant services. The Society collects data, carries out research, develops policies, informs, educates, audits and provides expert consultancy in each of the following areas:

- At work
- At leisure
- On the road
- In the home
- By influencing and informing
- By developing risk education

### **Public Benefit**

On the basis of RoSPA's continued focus on achieving its mission and vision through this broad strategy, the trustees are satisfied that the Charity continues to meet the required public benefit test: there is a clear public benefit and RoSPA's activities are designed to meet it.

For more information and a detailed review of achievements and performance, see RoSPA's Annual Review for the year ended 31 March 2011.

## **Report of the trustees for the year ended 31st March 2011**

The trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, submit their annual report and the audited financial statements for the year ended 31st March 2011.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities' issued by the Charity Commission.

The Report of the trustees is split into the following sections:

- Structure, Governance and Management
- Mission, Vision, Objectives, Activities, Achievements and Performance
- Financial Review of RoSPA 2010/11
- Statement of Trustees' Responsibilities

### **Structure, Governance and Management**

#### **Governance and Internal Control**

RoSPA is governed by a Memorandum and Articles of Association, both of which documents were revised substantially at the RoSPA Annual General Meeting (AGM) in October 2005. RoSPA has members, who may be individuals or corporate bodies. RoSPA also has Honorary Members, appointed at the discretion of RoSPA's Board of Trustees (known as the "Board"). RoSPA holds its AGM in November each year.

#### **Trustees**

As set out in the Articles of Association, RoSPA is governed by the Board. The trustees number no more than 20, including the President. Trustees are individually elected annually. A trustee may not serve for more than 10 years unless there are exceptional circumstances, decided by the Board. Trustees are appointed at, and by, RoSPA's Annual General Meeting.

The requirement for new trustees arises on the retirement or resignation of existing trustees or where the Nominations Committee (see next section) identifies the need for new skills.

The emphasis in trustee skills is on general business ability, but the Board seeks to achieve a range of different skills and experience among its members.

Trustees may be recruited from, or on the recommendation of, organisations that encompass particular skills sets or professional skills. However, appointment of a trustee is based on the quality and skills of the individual and not simply by nomination of a particular organisation.

An informal interview process will take place before an individual is recommended to the Board as a prospective new trustee. On appointment a new trustee will be given an induction pack and will have induction meetings with senior managers at RoSPA headquarters. Trustees are encouraged to attend RoSPA events. On appointment, and during their term of office, training needs are identified and addressed.

Trustees at all times operate under the powers given to them under the Memorandum and Articles of Association, and under the various statutes relating to Trustees and Charities.

The trustees normally meet four times a year as the Board. The Board governs the charity and delegates specific responsibilities to sub-committees comprising the Nominations Committee (NomCom), the Remuneration Committee (RemCom), and the Audit Committee. These sub-committees are all made up of trustees with senior members of RoSPA staff in attendance to support the decision-making process.

All committees operate under specific terms of reference and their decisions are ratified by the Board.

## **Management Committees and the decision-making process**

### *Board (Board of Trustees)*

RoSPA's Board of Trustees are Directors of RoSPA for the purposes of the Companies Act. The Board governs the charity and delegates some powers to the following entities and sub-committees:

- *RoSPA Enterprises Ltd (REL)*

REL is a registered company, wholly owned by RoSPA. The Board of REL reports to the Board of RoSPA. REL maximises RoSPA's commercial business opportunities, oversees the production of RoSPA's annual business plans, recommends areas for action and monitors business performance. It also makes decisions to invest or divest and adjust strategic direction to maximise sustainable contribution.

- *Nominations Committee (NomCom)*

The RoSPA Nominations Committee monitors and reviews the skills mix of the Board, identifies where skills or experience might be lacking and makes recommendations to the Board on matters relating to the recruitment of new trustees.

- *Remuneration Committee (RemCom)*

RemCom determines, within the policy approved by the Board, the remuneration of the Chief Executive and the staff Directors of RoSPA. It advises the Board on matters relating to the grading and conditions of service of RoSPA's Senior Staff.

- *Audit Committee*

The Audit Committee reviews and reports to the Board on all financial statements produced for statutory and regulatory purposes, reviews the reports and findings of the external auditors and reviews the processes governing risk management and internal control within RoSPA.

## Identification and Management of Risks

The Board assesses business risks and implements risk management strategies. The trustees are pleased to report that the Charity's internal financial controls conform to guidelines issued by the Charity Commission. In addition, the trustees have considered the guidance for directors of public listed companies contained within the Turnbull and Higgs reports.

A Risk Register has been prepared to help manage the risk process. It contains all risks identified, and is subject to regular review. A formal review of the risk management processes is undertaken on an annual basis.

The key controls used by the charity include:-

- Formal agenda for all Board and Committee activity.
- Detailed terms of reference for all Committees.
- A commitment to selecting suitable nominated trustees and where applicable, to provide risk training.
- A process for strategic planning, budget setting and management accounting.
- Established organisational structure with clear lines of reporting.
- Written policies, clear authorisation and approval levels.

Through the established risk management processes, the Board is satisfied that, while systems can only provide reasonable rather than absolute assurance, the major risks have been identified and adequately managed as necessary.

## **Financial Review of RoSPA 2010/11**

During the year the Society produced a surplus of £2,999k (2010: deficit £356k). This comprised a surplus of £3,712k on unrestricted funds and a deficit of £713k on restricted funds. After accounting for the unrealised gain on investments of £32k (2010: £165k), the actuarial gain of £774k on the pension fund and the deficit of £226k on the revaluation of fixed assets, there is a net surplus of £3,579k (2010: £1,724k net deficit).

The surplus includes £2,911k, net of professional fees, for the successful outcome of a Fleming claim for recovery of VAT paid on membership subscriptions in prior years. During the year the Society moved its head office to 28 Calthorpe Road, Edgbaston, Birmingham, resulting in £585k of the cost of the move being capitalised in fixed assets. The Society will see the benefit of this move through reduced accommodation costs in future years.

The Group continued to maintain a healthy cashflow; at the year end cash balances totalled £5,737k (2010: £3,021k). Turnover increased by 53% to £16,594k (2010: £10,801k) mainly due to The National Home Safety Equipment Scheme (NHSES) or 'Safe at Home' project and the VAT refund.

The full adoption of FRS17 in 2005 led to the appearance of deficits on many charities balance sheets – RoSPA is no exception to this. This deficit now stands at £3,039k (2010: £3,843k), a decrease of £804k on last year. Excluding this pension liability from balance sheet funds would show unrestricted reserves of £4,725k (2010: £1.286k). Included within this figure is a designated reserve of £574k to be paid into the pension fund in 2011/12 as agreed between RoSPA and the pension scheme trustees on 24th February 2011. Restricted reserves of £633k are unavailable to contribute to the pension fund deficit (2010: £1,071k).

The mortgage of £1,182k over 28 Calthorpe Road, Edgbaston, Birmingham, was discharged in full in June 2011.

In overview, excluding the VAT refund, 65% (2010: 50%) of the Society's income in the year came from Grants, Sponsorship and Membership with the remainder coming from chargeable activities. These activities are in line with the charitable objectives of the Society and include training in safety, implementation of safety audit procedures, awards for best practice and events across the UK to assist the implementation of new legislation and other key issues.

### **RoSPA Enterprises Ltd**

RoSPA Enterprises Ltd (REL) is a wholly owned subsidiary of the Charity and concentrates on the sale and delivery of training and consultancy, advertising and sponsored activities such as the RoSPA Occupational Health & Safety Awards Scheme. In the year ended March 2011 REL made a Gift Aid payment to the Charity of £452k which represents all its taxable profits (in the year ended March 2010 the payment was £482k).

Further information about the interesting range of activities and services provided through REL are to be found in the Annual Review and on the RoSPA website.

## **Pension Scheme**

As with many final salary schemes, the RoSPA Retirement and Death Benefits Plan has shown a significant deficit in recent years. The Plan was closed to new entrants in 2001 and replaced by a Stakeholder Pension Plan for new members of staff.

The trustees have taken account of the requirements of FRS17, in accordance with which the deficit at 31st March 2011 stood at £3,039k compared with £3,843k last year. RoSPA's trustees will continue to review and monitor the situation closely. RoSPA's trustees have agreed with RoSPA's Pension trustees, to continue to make additional payments from the Charity's trading surplus, into the pension fund, with the aim to clear the deficit in the medium term. These payments will take into account the Charity's need for funds to reinvest in its ongoing activities. For more information see Note 17 to the Financial Statements.

## **Resources Expended and Services**

The charity is grateful for the advice and guidance of its members and others in supporting the development of its work through four national safety committees and one national safety forum in the areas of home, road, work, leisure safety and in safety education. RoSPA works to an annual programme in each of these areas which is based upon a set of key safety issues designed to highlight problems and bring about change in subjects as diverse as driver behaviour, safer building design and the responsibilities of directors for safety at work.

An overview and highlights of the services provided and the successful progress of RoSPA's work is set out in the Annual Review which can be found on the Society's website [www.rosipa.com](http://www.rosipa.com) with more information and greater detail being available on the pages of the website itself.

The RoSPA website continues to be popular with almost 3 million visits during the financial year and enabling over 1.4 million downloads of documents offering a wide variety of technical information and advice.

## **Reserves**

The unrestricted reserves of the Society net of pension liability of £4,725k (2010: £1,286k) provides working capital for the Society and funding for its future development. The decrease in the balance for Restricted Funds from £1,071k at 1st April 2010 to £633k at 31st March 2011 is mainly due to the CSEC project coming to an end. The Society will develop a Reserves policy once unrestricted reserves reach a more sustainable level.

## **Investment Policy**

The appointed fund managers are Gerrard Investment Management Limited, Birmingham. The Investment Policy is based on three objectives:

- a) the maintenance/enhancement of invested funds;
- b) a reasonable balance between capital growth and income;
- c) the avoidance of undue risk.

The Policy also seeks to achieve a sound financial return but not by investment in assets which could be detrimental to the aims and objectives of the Society.

## **Future Developments**

RoSPA will continue with the key safety issues programmes that it is currently pursuing, most of which are likely to take several years to bring to fruition. In terms of its business activities, it will concentrate on providing high quality training and consultancy supported by leading edge seminars and congresses developing discussion and information exchange on emerging issues. RoSPA's aim is to ease access to knowledge and good practice through face-to-face contact and via information systems, which are increasingly used by business where staff time is at a premium.

## **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 business.

The trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, 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 Companies Act 2006.

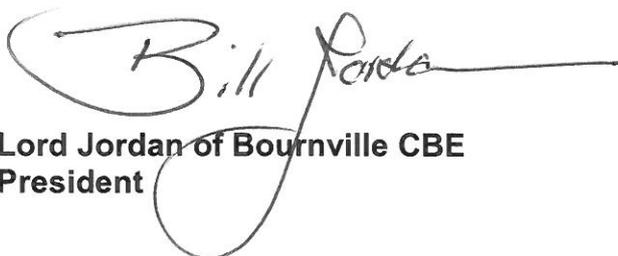
They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charitable company's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## **Auditors**

All of RoSPA's current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

The Board of Trustees approved this report on 16th September 2011.



Lord Jordan of Bournville CBE  
President

## **Independent Auditor's Report**

To the Members and Trustees of the Royal Society for the Prevention of Accidents  
(RoSPA)

We have audited the financial statements of RoSPA for the year ended 31 March 2011 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustees and 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 charity and the charity's Trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

 11P

Don Bawtree, Senior Statutory Auditor  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
United Kingdom

Date: - 5 OCT 2011

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the 12 months ended 31 March 2011**

	Note	2011	2011	2011	2010
		£	£	£	£
		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>	
<b>Incoming Resources</b>					
<b>Activities in furtherance of the charity's objects:</b>					
At Work		4,029,683	95,750	<b>4,125,433</b>	4,643,177
At Leisure		199,032	498,015	<b>697,047</b>	945,938
On the Road		1,303,838	441,718	<b>1,745,556</b>	2,121,221
In the Home		5,989,502	343,071	<b>6,332,573</b>	2,922,377
By influencing and informing		16,216	158,567	<b>174,783</b>	94,426
<b>Royalties and Other Income</b>		3,457,223	-	<b>3,457,223</b>	45,548
<b>Investment Income</b>	3	60,960	-	<b>60,960</b>	28,741
<b>Total incoming resources</b>	2	<b>15,056,454</b>	<b>1,537,121</b>	<b>16,593,575</b>	10,801,428
<b>Resources Expended</b>					
<b>Costs of Activities in furtherance of the charity's objects:</b>					
At Work		4,404,877	147,157	<b>4,552,034</b>	4,743,702
At Leisure		11,590	868,675	<b>880,265</b>	853,535
On the Road		1,133,563	627,863	<b>1,761,426</b>	1,896,558
In the Home		4,644,998	400,276	<b>5,045,274</b>	3,255,573
By influencing and informing		260,974	206,464	<b>467,438</b>	146,962
<b>Central and Governance</b>		888,446	-	<b>888,446</b>	261,349
<b>Total resources expended</b>	4	<b>11,344,448</b>	<b>2,250,435</b>	<b>13,594,883</b>	11,157,679
<b>Net incoming resources before transfers</b>		3,712,006	(713,314)	<b>2,998,692</b>	(356,251)
Transfers between funds	2	(275,876)	275,876	-	-
<b>Net incoming resources</b>		<b>3,436,130</b>	<b>(437,438)</b>	<b>2,998,692</b>	(356,251)
Unrealised Gain on investment assets	10	31,993	-	<b>31,993</b>	164,651
Actuarial Gain / (Loss)	17	774,147	-	<b>774,147</b>	(1,532,000)
Revaluation of Fixed Assets	19	(226,300)	-	<b>(226,300)</b>	-
		-	-	-	-
<b>Net movement in funds</b>		<b>4,015,970</b>	<b>(437,438)</b>	<b>3,578,532</b>	(1,723,600)
<b>Fund Balances brought forward at 1 April 2010</b>	2	<b>(2,172,905)</b>	1,070,552	<b>(1,102,353)</b>	621,247
<b>Fund Balances carried forward at 31 March 2011</b>	2	<b>1,843,065</b>	633,114	<b>2,476,179</b>	(1,102,353)

All of the above results are derived from continuing activities. All gains and losses in the year are included above. The notes on pages 14 to 29 form part of these financial statements.

## Consolidated and Charity Balance Sheets as at 31 March 2011

	Note	Group 2011	Group 2010	Charity 2011	Charity 2010
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	6	<b>2,574,665</b>	2,230,944	<b>2,574,665</b>	2,230,944
Investment	7	-	-	2	2
		<b>2,574,665</b>	2,230,944	<b>2,574,667</b>	2,230,946
<b>Current Assets</b>					
Stocks	8	-	58,665	-	58,665
Debtors	9	<b>1,299,267</b>	5,296,886	<b>1,106,363</b>	5,167,472
Investments	10	<b>629,037</b>	602,330	<b>629,037</b>	602,330
Cash at Bank and in Hand		<b>5,737,480</b>	3,021,107	<b>5,780,450</b>	3,045,775
		<b>7,665,784</b>	8,978,988	<b>7,515,850</b>	8,874,242
Creditors: amounts falling due within one year	11	<b>(3,672,544)</b>	(7,303,785)	<b>(3,907,247)</b>	(7,635,082)
<b>Net Current Assets</b>		<b>3,993,239</b>	1,675,203	<b>3,608,603</b>	1,239,160
<b>Total Assets less Current Liabilities</b>		<b>6,567,905</b>	3,906,147	<b>6,183,270</b>	3,470,106
Creditors: amounts falling due after one year	11	<b>(1,052,726)</b>	(1,165,500)	<b>(1,052,726)</b>	(1,165,500)
<b>Pension Liability</b>	17	<b>(3,039,000)</b>	(3,843,000)	<b>(3,039,000)</b>	(3,843,000)
<b>Net Assets</b>		<b>2,476,179</b>	(1,102,353)	<b>2,091,544</b>	(1,538,394)
<b>Funds :</b>					
<b>Unrestricted Funds excluding the Pension Liability and Revaluation Reserve</b>	5	<b>4,724,522</b>	1,286,252	<b>4,724,522</b>	1,286,252
<b>Revaluation Reserve</b>	19	<b>157,543</b>	383,843	<b>157,543</b>	383,843
<b>Pension Liability</b>	17	<b>(3,039,000)</b>	(3,843,000)	<b>(3,039,000)</b>	(3,843,000)
<b>Unrestricted Funds</b>	2	<b>1,843,065</b>	(2,172,905)	<b>1,843,065</b>	(2,172,905)
<b>Restricted Funds</b>	2	<b>633,114</b>	1,070,552	<b>248,479</b>	634,511
<b>Total Funds</b>	2	<b>2,476,179</b>	(1,102,353)	<b>2,091,544</b>	(1,538,394)

The financial statements on pages 11 to 29 were approved by the trustees on 16th September 2011 and signed on their behalf by:

  
Lord Jordan of Bournville CBE President

The notes on pages 14 to 29 form part of these financial statements.

**Consolidated Cash Flow Statement for the 12 months ended 31 March 2011**

	Note	2011 £	2010 £
<b>Net cash inflow from operating activities</b>	12	<b>3,488,203</b>	794,128
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(664,342)	(1,746,404)
Proceeds from sale of tangible fixed assets		-	-
Proceeds from sale of investment assets		5,286	4,784
		<b>(659,056)</b>	<b>(1,741,620)</b>
<b>Financing</b>	12	<b>2,829,147</b>	(947,492)
New Loans		-	1,295,000
Repayment of loan		(112,774)	-
<b>Increase in cash in the year</b>	12	<b>2,716,373</b>	347,508

The notes on pages 14 to 29 form part of these financial statements.

## Notes forming part of the financial statements for the year ended 31 March 2011

### 1. Accounting policies

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and the inclusion of investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2005 and applicable accounting standards including FRS17.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

#### b) Fund accounting

Unrestricted Funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. This includes funds received under supply contracts which may be restricted as to their purpose but cannot be classed as such due to their legal status.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors. The cost of administering such funds is charged against each specific fund. The aim and use of each restricted fund is set out in note 2 to the financial statements. Restricted Funds include funds for distribution. These are funds passed through the society to forward to other charities or to benevolent causes, and do not represent activity of the Society itself. Distribution funds are not included in the calculation for irrecoverable VAT. The funds assets are held entirely as cash at bank and in hand.

Funds that partially sponsor an activity or event are charged with cost equal to the sponsorship value.

Overhead costs are charged to grant-funded activities, whether or not they are specifically referenced by the grant provider. Allocation is by head count, except helpdesk, press office and website costs which are allocated by activity level.

Where the funding does not cover the costs a balance is transferred from unrestricted funds to cover any deficit. For the year ended 31 March 2011 the value of this transfer is £275,876.

#### c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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.

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 a receivable basis.

Income is deferred to future periods from the period when it is received to the period in which it relates. This includes income for membership, training courses and events.

#### **d) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where possible, costs have been allocated directly to the activity to which they relate. However, there are also shared support costs that enable the charity's charitable, income generating and governance activities to be undertaken. These costs have been allocated to the Charity's activities using appropriate cost drivers as follows:

1. Staff Numbers for administration, IT, Human Resources, Accountancy, WP, Edgbaston, Calthorpe Road and facilities costs.
2. Press Office, Information Centre and Website on number of enquiries and level of activity.

#### **e) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets except freehold land at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold buildings	over 50 years
Short leasehold properties	over term of lease
Office equipment	over 7 years
Computer equipment	over 4 years

Purchases are recognised as fixed assets only if the economic life of the purchase can reasonably be expected to be at least as long as the depreciation period, and purchase cost exceeds £500.

On the initial adoption of FRS-15 'Tangible Fixed Assets' the Society had taken advantage of the transitional arrangements of the standard, to retain the existing book values (including those of its unimpaired tangible fixed assets, which were previously stated in the valuation) as at that date.

#### **f) Investments**

The investments are stated at their market value at the year end. The investment policy is determined by the Board, and is reviewed every three years.

#### **g) Stocks**

Stocks comprise printed and other materials for resale and are stated at the lower of cost and net realisable value.

#### **h) Pension costs**

The charity has adopted accounting standard FRS-17 "Retirement Benefits".

The difference between the fair value of the assets held in the charity's defined benefit pension scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the charity's balance sheet as a pension scheme liability. The carrying value of any resulting pension scheme asset is restricted to the extent that the charity is able to recover the surplus either through reduced contributions or through refunds from the scheme.

Changes in the deferred benefit pension asset or liability arising from factors other than cash contribution by the charity are charged to the SOFA in accordance with FRS17 on retirement benefits.

#### **i) Finance and operating leases**

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred. There are currently no assets purchased under finance leases.

**j) Lessors**

Rents receivable are spread from the inception of the lease to the break points evenly over that period.

**k) Foreign exchange**

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the statement of financial activities.

**l) Contingent liability**

There is a potential clawback for all grant monies and restricted funds where they are not spent in accordance with the terms and conditions of the grant offer letter or contract.

**m) Central and Governance Costs**

Central and governance costs include direct and related support costs of trustees meetings, AGM, preparation of statutory report and accounts including internal and external audit and any legal costs associated with the charity's constitutional structure.

## 2. Statement of funds

	At 1 April		Other recognised			At 31 March
	2010	Income	Expenditure	Gains	Transfers	2011
	£	£	£	£	£	£
<b>Restricted funds:</b>						
<b>Grants and Sponsorships:</b>						
<b>At Work</b>						
Awards and Events Sponsorships	-	74,750	74,750	-	-	-
BNFL Scholarship	431,038	-	58,231	-	-	372,807
Other Occupational Sponsorships	5,003	21,000	14,176	-	-	11,827
	<b>436,041</b>	<b>95,750</b>	<b>147,157</b>	<b>-</b>	<b>-</b>	<b>384,634</b>
<b>At Leisure</b>						
Grants England	470,626	498,015	868,675	-	(35,703)	64,263
	<b>470,626</b>	<b>498,015</b>	<b>868,675</b>	<b>-</b>	<b>(35,703)</b>	<b>64,263</b>
<b>On the Road</b>						
Grants Scotland	31,500	130,720	157,465	-	10,896	15,651
Grants Wales	-	103,998	139,548	-	35,550	-
Grants England	-	204,500	328,350	-	123,850	-
Other Sponsorships	-	2,500	2,500	-	-	-
	<b>31,500</b>	<b>441,718</b>	<b>627,863</b>	<b>-</b>	<b>170,296</b>	<b>15,651</b>
<b>In the Home</b>						
Grants Scotland	-	116,104	104,057	-	(4,809)	7,238
Grants and Sponsorship Northern Ireland	-	103,967	154,550	-	50,583	-
Grants and Sponsorship England	60,161	123,000	141,669	-	18,669	60,161
	<b>60,161</b>	<b>343,071</b>	<b>400,276</b>	<b>-</b>	<b>64,443</b>	<b>67,399</b>
<b>By influencing and informing</b>						
Grants and Sponsorship England	72,224	40,549	155,690	-	76,840	33,923
ECSA Eurosafe Sponsorship	-	118,018	50,774	-	-	67,244
	<b>72,224</b>	<b>158,567</b>	<b>206,464</b>	<b>-</b>	<b>76,840</b>	<b>101,167</b>
<b>Total restricted funds</b>	<b>1,070,552</b>	<b>1,537,121</b>	<b>2,250,435</b>	<b>-</b>	<b>275,876</b>	<b>633,114</b>
<b>Unrestricted funds</b>	<b>(2,172,905)</b>	<b>15,056,454</b>	<b>11,344,448</b>	<b>579,840</b>	<b>(275,876)</b>	<b>1,843,065</b>
<b>Total funds</b>	<b>(1,102,353)</b>	<b>16,593,575</b>	<b>13,594,883</b>	<b>579,840</b>	<b>0</b>	<b>2,476,179</b>

Where the funding on restricted funds does not cover the costs the balance is transferred from unrestricted funds. For the year ended 31 March 2011 the value of this transfer is £275,876 (2010 £404,799)

## **Grants and Sponsorships**

### **At Work**

#### **Awards and Events Sponsorships include support from:**

NEBOSH, Springfields Fuels Ltd, GPIC and Allianz for the Awards Scheme  
NHS Health Scotland, Allianz and TB2B Media Ltd for Health and Safety events in England and Scotland  
Allianz Commercial the MORR event

#### **BNFL Scholarship funded by:**

British Nuclear Fuels Ltd to carry out research into safety and accident prevention. The scheme will finance students undertaking advance studies into these areas of knowledge.

#### **Other Occupational Sponsorships include support from:**

Health & Safety Executive for the Workplace Scotland Project  
NHS Scotland for the Scotland Health Risks at Work Toolkit Project

### **At Leisure**

#### **Water Safety Grant paid by:**

The Department for Transport to support the work of the secretariat, fund a technical support manager and establish a water safety statistics database.

#### **Child Safety Education Coalition (CSEC) Grant paid by:**

The Department for Education to encourage new and high quality provision of practical safety education for children.

### **On the Road**

#### **Road Safety Grants Scotland paid by:**

The Scottish Government to fund RoSPA's road safety activities in Scotland.

The Scottish Government and the Health and Safety Executive to support the Scottish Occupational Road Safety Alliance (ScORSA) and raise awareness of managing occupational road risk to promote road safety within Scotland.

The Scottish Government and IRSO Scottish Group as a contribution towards the development and delivery of accredited training for Road Safety Officers in Scotland.

#### **Road Safety Grants Wales paid by:**

The Welsh Assembly Government to support RoSPA's road safety activities in Wales.

#### **Road Safety Grants England paid by:**

The Department for Transport to support RoSPA's road safety activities in England.

#### **Other Sponsorships include support from:**

Britax Excelsior Ltd to sponsor Road Safety event.

**In the Home**

**Home Safety Grants Scotland paid by:**

The Scottish Government to support RoSPA's Home Safety activity in Scotland.

The Scottish Government to support the blind cord campaign in Scotland.

**Home Safety Grants and Sponsorship Northern Ireland paid by:**

The Department of Health, Social Services & Public Safety to support RoSPA's Home Safety activity in Northern Ireland.

Kid Rapt to support the development of a children's database as part of the Northern Ireland Home Safety Check Schemes Steering Group.

**Home Safety Grants and Sponsorship England paid by:**

The Department for Business, Innovation and Skills to support RoSPA's Home Safety activity in England.

Strathclyde Fire and Rescue and The Scottish Government to support the Home Safety Conference.

**By Influencing and Informing**

**Grants and Sponsorship England paid by:**

The Department of Health to support the Learning About Safety by Experiencing Risk (LASER) Project.

The Department for Business, Innovation and Skills to support the management of an accident statistics database information services HASS.

Edcoms supports of the safety education Edcoms Project.

TRL Ltd support for the safety education TRL Learner Driver Group.

**ECSA Eurosafe Sponsorship from:**

Intertek and Johnson and Johnson to support work by the European Child Safety Alliance (ECSA).

**RoSPA is committed to working in partnership and is most grateful for the help and support of the Government departments and organisations listed above, without whose assistance much of the Society's work would not be possible.**

<b>3. Investment income</b>	<b>2011</b>	<b>2010</b>
	£	£
Interest receivable	<b>40,033</b>	11,854
Dividends receivable from short term investments, note 10.	<b>20,927</b>	16,887
	<b>60,960</b>	<b>28,741</b>

**4. Total resources expended**

	<b>Staff Costs £</b>	<b>Other Direct Costs £</b>	<b>Allocated Costs £</b>	<b>Total 2011 £</b>	<b>Total 2010 £</b>
<b>Costs of Activities in furtherance of the charity's objects:</b>					
At Work	1,594,331	1,823,574	1,134,129	<b>4,552,034</b>	4,743,702
At Leisure	354,654	314,573	211,038	<b>880,265</b>	853,535
On the Road	456,771	831,517	473,138	<b>1,761,426</b>	1,896,558
In the Home	535,678	4,240,904	268,692	<b>5,045,274</b>	3,255,573
By influencing and informing	474,915	32,311	(39,788)	<b>467,438</b>	146,962
<b>Central and Governance</b>	-	888,446	-	<b>888,446</b>	261,349
<b>Total resources expended</b>	<b>3,416,349</b>	<b>8,131,325</b>	<b>2,047,209</b>	<b>13,594,883</b>	<b>11,157,679</b>

Governance costs include £19k audit fee and £11k Committee, AGM and Trustee expenses.

Allocated costs include support costs of £1,733k comprising IT (£206k), Accounts (£228k), HR (£131k), Edgbaston and Calthorpe Road (£753k), Facilities (£57k) Legal, Audit, Bank Charges and Committee Expenses etc (£87k), Additional Pension Provision (£216k), Postage and Stationery (£55k)

**Other direct costs include :**

	<b>2011 £</b>	<b>2010 £</b>
Depreciation	<b>94,321</b>	54,721
Auditors' remuneration:		
Audit fee	<b>18,664</b>	18,080
Non Audit Services – Fleming Case VAT refund	<b>490,000</b>	10,200
Operating lease rentals:		
Cars	<b>83,053</b>	99,710
IT equipment	-	1,351
Office Equipment	<b>76,157</b>	62,110
Property	<b>401,501</b>	418,849

**5. Unrestricted Funds**

Unrestricted Funds excluding the Pension Liability and Revaluation Reserve includes a designated Reserve Fund of £574k to be paid into the Pension Fund. This additional payment has been agreed between RoSPA and the pension scheme trustees and documented in a minute of a Joint Pension Fund meeting held on 24th February 2011.

The Funds also include £2,911k net of professional fees for the successful outcome of a Fleming claim for recovery of VAT paid on membership subscriptions in prior years.

6. Tangible fixed assets	Freehold land and buildings	Leasehold property	Motor Vehicles	Office Equipment	Computer Equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2010	435,000	1,795,071	-	562,652	653,137	3,445,860
Additions	-	291,144	10,749	310,546	51,903	664,342
Disposals	-	-	-	-	-	-
Revaluation Adjustment	(235,000)	-	-	-	-	(235,000)
<b>At 31 March 2011</b>	<u>200,000</u>	<u>2,086,215</u>	<u>10,749</u>	<u>873,198</u>	<u>705,040</u>	<u>3,875,202</u>
<b>Depreciation</b>						
At 1 April 2010	5,800	64,636	-	543,220	601,260	1,214,916
Charge for Year	2,900	38,699	2,015	18,250	32,457	94,321
Disposals	-	-	-	-	-	-
Revaluation Adjustment	(8,700)	-	-	-	-	(8,700)
<b>At 31 March 2011</b>	<u>-</u>	<u>103,335</u>	<u>2,015</u>	<u>561,470</u>	<u>633,717</u>	<u>1,300,537</u>
<b>Net book value</b>						
<b>At 31 March 2011</b>	<u>200,000</u>	<u>1,982,880</u>	<u>8,734</u>	<u>311,728</u>	<u>71,323</u>	<u>2,574,665</u>
At 1 April 2010	<u>429,200</u>	<u>1,730,435</u>	<u>-</u>	<u>19,432</u>	<u>51,877</u>	<u>2,230,945</u>

A revaluation of land and buildings of the warehouse was carried out by BNP Paribas Real Estate. The valuation is prepared in accordance with the RICS Valuation Standards, (the "Red Book"). The basis of valuation is market value of the freehold interest of the property as at 31st March 2011.

Before revaluation, the carrying value of land and buildings was £435,000 less accumulated depreciation of £8,700.

## 7. Subsidiary company: RoSPA Enterprises Ltd

The charity owns the whole of the issued ordinary share capital of RoSPA Enterprises Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities, namely consultancy and sales of advertising in the Society's journals. In addition corporate sponsorships are also carried out by the subsidiary. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	Total 2011 £	Total 2010 £
Turnover	1,008,924	1,162,673
Cost of Sales	435,749	520,879
Gross Profit	573,175	641,794
Administrative Expenses	121,361	159,343
<b>Net Profit</b>	<u>451,814</u>	<u>482,451</u>

The aggregate of the assets, liabilities and funds was:

Assets	602,195	636,545
Liabilities	(602,193)	(636,543)
Funds (representing 2 ordinary shares of £1 each)	<u>2</u>	<u>2</u>

8. Stock	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Stock held for resale	-	58,665	-	58,665

Stock held for resale was transferred to a third party, dbda, part of the Ten Alps Group, under an agreement whereby dbda will fulfil all RoSPA's future product sales.

9. Debtors	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Trade debtors	838,288	4,618,697	646,688	4,491,361
Other debtors	448,669	547,307	447,365	545,229
Prepayments	12,310	130,882	12,310	130,882
	<u>1,299,267</u>	<u>5,296,886</u>	<u>1,106,363</u>	<u>5,167,472</u>

#### 10. Investments - Group and Charity

	2011 £	2010 £
Market Value at 1st April 2010	602,330	442,463
Disposals	(123,164)	(124,187)
Acquisitions at cost	112,592	114,619
Gerrard Management Fee	5,286	4,784
Unrealised gain in 2011	31,993	164,651
Market value at 31st March 2011	<u>629,037</u>	<u>602,330</u>
Historical cost at 31st March 2011	<u>522,701</u>	<u>498,520</u>

Investments are held to achieve long term capital growth with income.

An analysis of the market value of investments at 31st March 2011 is as follows:

	2011 £	2010 £
UK Equities	394,120	375,660
Overseas Equities	90,580	93,989
Fixed Interest	99,750	89,292
Cash	14,722	25,509
Other	29,865	17,880
	<u>629,037</u>	<u>602,330</u>

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

	<b>Group 2011</b>	<b>Group 2010</b>	<b>Charity 2011</b>	<b>Charity 2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>157,797</b>	455,561	<b>142,016</b>	439,582
Taxation and social security costs	<b>115,561</b>	813,500	<b>113,559</b>	809,407
Accruals	<b>1,111,631</b>	843,761	<b>954,826</b>	687,999
Amount owed to subsidiary undertaking	-	-	<b>409,291</b>	507,131
Mortgage Calthorpe Road	<b>129,500</b>	129,500	<b>129,500</b>	129,500
Deferred income	<b>2,158,055</b>	5,061,463	<b>2,158,055</b>	5,061,463
	<b>3,672,544</b>	7,303,785	<b>3,907,247</b>	7,635,082

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

Mortgage Calthorpe Road				
In more than one year but no more than two	<b>129,500</b>	129,500	<b>129,500</b>	129,500
In more than two years but no more than five	<b>388,500</b>	388,500	<b>388,500</b>	388,500
More than five years	<b>534,726</b>	647,500	<b>534,726</b>	647,500
	<b>1,052,726</b>	1,165,500	<b>1,052,726</b>	1,165,500

The mortgage loan of £1,295,000 was provided by Lloyds Banking Plc on 1st March 2010 to fund the acquisition of new office premises at 28 Calthorpe Road, Edgbaston (see note 6) and is secured against the property. The term of the loan is 10 years and will expire in February 2020. The rate of interest is base rate plus 2.51%.

**12. Cash flow information for the group****(a) Reconciliation of changes in resources to net inflow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net Incoming resources	<b>2,998,692</b>	(356,251)
Society Pension Contributions	<b>(210,852)</b>	(240,000)
Pension Costs born by pension fund	<b>181,000</b>	172,000
Depreciation	<b>94,321</b>	54,721
Decrease in stocks	<b>58,665</b>	2,649
Decrease / (Increase) in debtors	<b>3,997,619</b>	(2,708,392)
(Decrease) / Increase in creditors	<b>(727,834)</b>	651,157
(Decrease) / Increase in deferred income	<b>(2,903,408)</b>	3,218,244
<b>Net cash inflow from operating activities</b>	<b>3,488,203</b>	794,128

**(b) Reconciliation of net cash flow to movement in net debt**

Increase in cash	<b>2,716,373</b>	347,508
Cash inflow/(outflow) from changes in debt	<b>112,774</b>	(1,295,000)
Movement in net funds	<b>2,829,147</b>	(947,492)
Net funds and debt at 31st March 2010	<b>1,726,107</b>	2,673,599
<b>Net funds and debt at 31st March 2011</b>	<b>4,555,254</b>	1,726,107

**(c) Analysis of net debt**

	<b>1 April 2010</b>	<b>Cashflow</b>	<b>31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	3,021,107	<b>2,716,373</b>	5,737,480
Debt due within one year	(129,500)	-	(129,500)
Debt due after one year	(1,295,000)	<b>112,774</b>	(1,182,226)
<b>Total</b>	<b>1,726,107</b>	<b>2,829,147</b>	<b>4,555,254</b>

### 13. Financial commitments

At 31st March 2011 the group has annual commitments under non-cancellable leases as follows:

Expiry date:	2011		2010	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	-	41,423	381,249	168,135
Two to five years	29,600	154,975	37,600	53,277
Over five years	19,669	-	-	-
	<b>49,269</b>	<b>196,398</b>	<b>418,849</b>	<b>221,412</b>

### 14. Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year (2010: £Nil).

Out of pocket expenses incurred by Trustees were as follows:

	2011	2010	2011	2010
	Number	Number	£	£
Travel	11	15	2,922	3,016

### 15. Staff costs

	2011	2010
	£	£
Wages and salaries	3,499,442	3,359,170
Social security costs	379,177	353,783
Pension costs	230,130	298,905
	<b>4,108,749</b>	<b>4,011,858</b>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2011	2010
	Number	Number
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1

Four employees earning more than £70,000 in the year participated in recognised pension schemes to which contributions of £23,878 were paid during the year on their behalf.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	<b>2011 Number</b>	<b>2010 Number</b>
Charitable activities and cost of generating funds	<b>106</b>	111
Management and administration of the charity	<b>17</b>	18
	<b>123</b>	<b>129</b>

## **16. Status**

The Society is a Company registered in England no. 231435, limited by guarantee and having no share capital. There were 4,254 registered members as at 31 March 2011 (2010: 4,528), who are liable to contribute 50p each in the event of the Society being wound up.

The Society is a registered charity no. 207823 in England and Wales and SCO392289 in Scotland and its objects are set out in its Articles of Association. As a charity the Society is exempt from corporation tax.

## 17. Pension: Defined benefit

The Society operates a defined benefit scheme in the UK – the RoSPA Retirement and Death Benefits Plan. A full actuarial valuation was carried out as at 5 April 2007 and has been updated to 31 March 2011 by a qualified independent actuary.

Society contributions of £210,852 were paid over the year ended 31st March 2011. The Society expects to contribute £210,000 to its defined benefit pension scheme in the next financial year.

The Society has applied FRS17 (allowing for the 2006 amendment).

### The amounts recognised in the balance sheet are as follows:

	31/03/2011	31/03/2010
	£000	£000
Present value of funded obligations	12,070	12,598
Fair value of scheme assets	(9,031)	(8,755)
	3,039	3,843
Present value of unfunded obligations	0	0
Deficit	<b>3,039</b>	3,843
Related deferred tax asset	n/a	n/a
<b>Net liability</b>	<b>3,039</b>	3,843
Amounts in the balance sheet	31/03/2011	31/03/2010
	£000	£000
Liabilities	<b>3,039</b>	3,843
Assets	0	0
<b>Net liability</b>	<b>3,039</b>	3,843

The pension scheme assets include no assets from the Society's own financial instruments.

The pension scheme assets include no property occupied by, or other assets used by, the Society.

### The amounts recognised in statement of financial activities are as follows:

	31/03/2011	31/03/2010
	£000	£000
Current service cost	0	0
Interest on obligation	704	636
Expected return on scheme assets	(523)	(464)
Past service cost	0	0
Losses(gains) on curtailments and settlements	0	0
Total	<u>181</u>	<u>172</u>
<b>Actual return on scheme assets</b>	<b><u>563</u></b>	<b><u>1,922</u></b>

### Changes in the present value of the defined benefit obligation are as follows:

	31/03/2011	31/03/2010
	£000	£000
Opening defined benefit obligation	12,598	9,468
Service Cost	0	0
Past service cost	0	0
Interest cost	704	636
Actuarial losses(gains)	(734)	2990
Losses (gains) on curtailments	0	0
Liabilities extinguished on settlements	0	0
Liabilities assumed in a business combination	0	0
Exchange differences on foreign schemes	0	0
Contributions by scheme participants	0	0
Benefits paid	(498)	(496)
Closing defined benefit obligation	<u>12,070</u>	<u>12,598</u>

**Changes in the fair value of scheme assets are as follows:**

	<b>31/03/2011</b>	<b>31/03/2010</b>
	£000	£000
Opening fair value of scheme assets	8,755	7,089
Expected return	523	464
Actuarial gains (losses)	40	1,458
Assets distributed on settlements	0	0
Contributions by employer	211	240
Assets acquired in a business combination	0	0
Exchange differences on foreign schemes	0	0
Contributions by scheme participants	0	0
Benefits paid	(498)	(496)
Closing fair value of scheme assets	<u>9,031</u>	<u>8,755</u>

**The major categories of scheme assets as a percentage of total scheme assets are as follows:**

	<b>31/03/2011</b>	<b>31/03/2010</b>
	%	%
Bonds	46	48
Diversified Growth Fund	53	52
Cash & Other	1	0

**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**

	<b>31/03/2011</b>	<b>31/03/2010</b>
Discount rate	5.60%	5.70%
Expected return on scheme assets( for the period beginning at relevant date)	6.45%	6.60%
Inflation (RPI)	3.40%	3.55%
Inflation (CPI)	2.40%	n/a
Future revaluation of pensions in deferment	2.40%	3.55%
Future pension increases (5% LPI)	3.35%	3.45%
Future pension increases (RPI max 3%)	2.70%	2.75%
Mortality - current pensioners		
Actuarial tables used	PXA92 YOB MC +2	PXA92 YOB MC +2
Male life expectancy at age 65 (years from 65)	20.4	20.4
Mortality - future pensioners currently aged 50		
Actuarial tables used	PXA92 YOB MC +2	PXA92 YOB MC +2
Male life expectancy at age 65 (years from 65)	21.2	21.1

Where investments are held in bonds and cash, the expected long term rate of return is taken to be the yields generally prevailing on such assets at the balance sheet date. A higher rate of return is expected on equity investments, which is based more on realistic future expectations than on returns that have been available historically. The overall expected long term rate of return on assets is then the average of these rates taking into account the underlying asset portfolio of the pension scheme.

The expected rates of return for each asset class (for the period beginning at the relevant date)

	<b>31/03/2011</b>	<b>31/03/2010</b>
Bonds	5.60%	5.70%
Diversified Growth Fund	7.20%	7.40%
Cash & Other	4.20%	4.40%

**Amounts for the current and previous four periods are as follows:**

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	£000	£000	£000	£000	£000
Defined benefit obligation	12,070	12,598	9,468	11,315	12,285
Scheme assets*	(9,031)	(8,755)	(7,089)	(8,731)	(9,194)
Deficit (surplus) - before deferred tax	3,039	3,843	2,379	2,584	3,091
* Asset values for the years prior to 2007 are quoted at mid value (see paragraph 95C of the amendment)					
Experience adjustments on scheme liabilities	0	0	(61)	(3)	(143)
Experience adjustments on scheme assets	40	1,458	(1,832)	(912)	(98)
Cumulative amount recognised in the SOFA	(2,204)	(2,978)	(1,446)	(916)	(1,447)

## 18. Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, RoSPA Enterprises Limited.

A summary of the financial activities undertaken by the charity is set out below.

	2011	2010
	£	£
Gross incoming resources	<u>16,036,465</u>	10,121,206
Net Incoming / (Outgoing) Resources	<u>2,998,692</u>	(356,251)
Net Movement in Funds	<u>3,629,938</u>	(1,657,055)

## 19. Revaluation Reserve

	2011	2010
	£	£
Balance at 1st April 2010	383,843	383,843
Movement in Funds:-		
Revaluation during the year	(226,300)	-
<b>Balance at 31st March 2011</b>	<u>157,543</u>	<u>383,843</u>

## 20. Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	Creditors: amounts falling due after more than one year	Pension Scheme Funding Deficit	Total
	£	£	£	£	£
Restricted	-	633,114	-	-	633,114
Unrestricted	2,574,665	3,360,126	1,052,726	3,039,000	1,843,065
	<u>2,574,665</u>	<u>3,993,240</u>	<u>1,052,726</u>	<u>3,039,000</u>	<u>2,476,179</u>