

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

Report and Financial Statements

Year ended 31 March 2020

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

Company No: 00231435

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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.00231435 and Scotland, SCO39289, limited by guarantee and having no share capital. There were 3,483 members as at 31 March 2020 who are liable to contribute 50p each in the event of the Society being wound up.

The Society owns 100% of the share capital of its trading subsidiary RoSPA Enterprises Limited - company No 3021397. RoSPA Enterprises Limited gift aids its profits to the Society.

Patron

Her Majesty the Queen

Trustees

Mr P Brown	
Mr I Bucknell - Hon Treasurer	Resigned 22 May 2019
Professor Y Doyle	Resigned 15 November 2019
Mr I Holborn - Hon Treasurer	
Mr S Kirk	Appointed 13 September 2019
Mrs J McNulty	
Dr M O'Mahony	Resigned 15 November 2019
Mr G Parker	
Mr M Parker CBE - Chairman	
Dr J Redhead	
K Saunders	Appointed 10 July 2020

President

Baroness Judith Jolly of Congdon's Shop

Executive Team

Shaun Brady	Executive Head of Finance & Company Secretary
Jo Bullock	Executive Head of Head of Awareness & Education
Nathan Davies	Executive Head of Consultancy & Training
David Ewing	Executive Head of Information Technology
Rebecca Hickman	Executive Head of Business Development, Partnerships & Membership
Tracey Rudge	Executive Head of Business Services
Julia Small	Executive Head of Events & Qualifications
Errol Taylor	Chief Executive

Registered Office

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

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Bankers

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

Solicitors

Veale Wasborough Visards, Second Floor, 3 Brindley Place, Birmingham B1 2JB

Fund Managers

Rathbone Brothers plc, 8 Finsbury Circus, London EC2M 7AZ.

Structure, Governance and Management

Governance and Internal Control

RoSPA is governed by its Memorandum and Articles of Association originally dated 17 May 1951 and last amended 14 November 2014. The Society 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 an AGM each year open to all members.

Trustees

As set out in the Articles of Association, RoSPA is governed by the Board. The Trustees, of whom there are currently 7, are elected annually. The Trustees nominate those persons that they wish to be trustees for appointment by the Members in the notice of the Annual General Meeting. All retiring trustees are eligible for reappointment assuming other criteria requirements are met. Trustees must be aged 18 or more and have an interest in or skills, experience or knowledge relevant to the work of the Society. The Members shall then approve appointments at the Annual General Meeting. The normal term of office is 3 years, which may be extended for a second term of 3 years. Exceptionally, the Officers of the Charity may serve for longer periods, at the discretion of the Board, who will carry out a full review of the reasons and rationale for the extended period of service.

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

In selecting new trustees the Board seeks to achieve a range of skills and experience appropriate to the mission and objectives of the Society as the UK's leading safety charity.

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 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 have induction meetings with RoSPA's senior managers. 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 and duties given to them by the Memorandum and Articles of Association and under the various statutes relating to Trustees, Charities and Directors of Companies.

The Trustees normally meet four times a year as the Board and additionally have at least one full day Strategy meeting per year. The Board governs the Charity and delegates specific responsibilities to sub-committees comprising the Nominations Committee (NomCom), the Remuneration Committee (RemCom), the Audit Committee and the Investment and Pensions Sub-Committee. These committees are all made up of trustees with senior members of RoSPA staff in attendance to support the decision-making processes.

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

Management Committees and the decision-making process

The 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 certain powers to the following entity and 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 optimises RoSPA's income from commercial business opportunities, recommends and develops new commercial activities 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 areas for improvement 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, other Executive Committee members and the overall level of staff pay. It also monitors a variety of Human Resources-related Key Performance Indicators and policies.
- *Audit Committee*
The Audit Committee reviews and reports to the Board on any 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.
- *Investment and Pensions Sub-Committee*
The Investment and Pensions Sub-Committee meets on an ad hoc basis to review and report to the Board on all matters relating to the Society's investment portfolio and RoSPA's Retirement and Death Benefits Plan, a closed final salary pension scheme.

RoSPA's Mission:

Life, free from serious accidental injury

RoSPA's Vision:

Exchanging life-enhancing skills and knowledge to reduce serious accidental injuries

How RoSPA delivers its Mission and Vision changes over time to reflect the safety issues and challenges facing people in an ever-changing world. Increasingly RoSPA seeks to demonstrate the effectiveness and value of the work that it does. RoSPA seeks to effect positive change through its work as a promoter of key safety 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

A comprehensive review of RoSPA's activities during the year ended 31 March 2020 is presented below. Through these initiatives, RoSPA continued to focus on achieving its mission and vision and 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 and implemented to meet it.

For further information and a more detailed review of achievements and performance, see also RoSPA's Annual Review for the year ended 31 March 2020.

Strategic Report

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act 2006, present their Strategic Report and the audited Financial Statements for the year ended 31 March 2020.

The Trustees have adopted the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

The Strategic Report of the Trustees comprises the following sections:

- Achievements and Performance
- Financial Review of RoSPA 2019/20
- Plans for Future Periods
- Principal Risks and Uncertainties

Achievements and Performance

The year 2019/20 started and ended with a RoSPA Family Safety Week, but the context in which the weeks were delivered had changed vastly during the 12 intervening months.

The first week – in April 2019 – focused on road safety for children, with a survey for parents finding that nearly half of children aged 6-11 had not received any form of pedestrian safety training during the previous 12 months, despite road accidents being the leading cause of accidental death for children of that age. Free resources for parents and teachers were made available to help them equip children at Key Stage 2 with the knowledge they need to be safe road users.

By the time of the second week – in March 2020 – the world was in the grip of the coronavirus pandemic, with lockdowns introduced in many countries including the UK. Family Safety Week was the springboard for our Accident Free, Avoid A&E campaign, which addressed the potential rise in home accidents due to so many people working and educating from home. The campaign, which was supported by new website and social media content, won plaudits from MPs, MSPs and health professionals who appreciated its focus on trying to reduce the burden on the NHS during a time of extreme pressure. The reach of our messages on our main social media accounts (Facebook, Twitter, LinkedIn and Instagram) was more than 297,000 in March 2020, with a good engagement rate of nearly 2 per cent. We were especially pleased with this, considering that Accident Free, Avoid A&E was only launched during the last few days of the month.

In addition to the campaign, COVID-19 dominated most other aspects of RoSPA's operations at the end of 2019/20, with regularly refreshed content produced for employers on the constantly-evolving coronavirus guidance for workplaces, the ceasing of all our face-to-face activities, including training and events, and a focus on ensuring health and safety professionals could access our services digitally, including through the launch of free-to-attend webinars for our members and award winners. Despite the challenges of the latter part of the year, we are proud of how all our grant-funded programmes across road, home, product and water safety continued to be delivered successfully.

Pre-coronavirus, 2019/20 represented a year of progress on many of our priority issues. Of particular note was the publication of Safer by design: A framework to reduce serious accidental injury in new-build homes, which contains recommendations that go beyond building regulations, and which was brought about through a partnership with Berkeley Group. The recommendations were founded on the principle that they should be commercially and technically achievable, and early commitments to adopt the framework came from the private and social housing sectors. Safety improvements in the design of new-build homes were among the recommendations of the National Accident Prevention Strategy for England, which we published in 2018, and it was therefore pleasing to see progress on such an important topic. The launch of Safer by design was the first public event for our new President, Baroness Jolly, who we were delighted to welcome into the RoSPA family.

Other recommendations from the National Accident Prevention Strategy were also pursued during 2019/20. We were pleased to continue our close association with the Office for Product Safety and Standards, taking forward two areas of work outlined in the strategy: seeking to improve the availability of injury data (on this, we were engaged in a project to acquire and analyse hospital data that gave insights into the involvement of consumer products in accidents); and working in partnership to improve consumer product safety, which included public-facing campaigns on topics including button batteries, blind cords and fireworks. Also supporting our commitment to work in partnership on product safety, we were pleased to continue rolling out Take Action Today projects across the country, focused on preventing accidental poisonings among under-fives, with the support of industry bodies and health practitioners.

In Edinburgh, local health partners and the Scottish Government came together to enable us to run a Keeping Kids Safe in the Home project, through which we distributed home safety packs to young families. And we were delighted to work with the Ladder Association on the Get a Grip campaign, taking falls prevention messages outside of the workplace – a project that also responded to a theme from the National Accident Prevention Strategy. Our road safety work in Wales, through which we are at the heart of the Road Safety Wales network, and our home safety focus in Northern Ireland were also strongly founded on the principles of working with partners, enabling much more to be achieved than by organisations working in isolation.

It is encouraging to report that in 2019, there were 40 fewer deaths in UK waters from accidents or natural causes than the previous year (a total of 223). This was a 25 per cent reduction from 2016.

The National Water Safety Forum, which is hosted by RoSPA, launched the UK Drowning Prevention Strategy. The 10-year strategy aims to reduce the number of accidental drowning deaths by 50 per cent, and the downward trend to 2019 stands in testament to the focused work of very many partners. We are committed to continuing our efforts to achieve further reductions in accidental drowning.

Helping drivers in later life to stay on the road safer for longer was the ambition of two projects – Destination Drive in England and Life on the Road in Scotland – which included the provision of advice and information and free driving assessments. Also in the field of road safety, we continued to help SMEs in Scotland find out more about managing occupational road risk through ScORSA – the Scottish Occupational Road Safety Alliance – and we also produced a factsheet on the gig economy and new advice on transporting premature and low-birthweight babies in car seats.

A new partnership with the insurer RSA Group began, with research and analysis to understand the main causes of accidents and who they affect – the aim being to build on the findings in subsequent years via a safety project addressing under-fives in the home, 17-25 year olds on the road or people in later life on the road or at home.

We were pleased to run the first ever Play Value Awards, celebrating play spaces that are not only safe but also offer children challenging and engaging play experiences. And as part of the annual RoSPA Health and Safety Awards, we presented our first Safe@Work-Safe@Home award, sponsored by L'Oréal, looking at how organisations encourage and inspire safety away from the workplace. The RoSPA Awards won a trophy of its own, being named the 'Best Awards by an Association' in the Awards Awards.

The year also marked a number of developments in the services we provide to members and clients. We were pleased to be awarded NEBOSH Learning Partner Gold Status meaning that we greatly exceeded the six Learning Excellence Principles, which outline global best practice for delivering learner experience on NEBOSH (National Examination Board in Occupational Safety and Health) courses. And we were able to roll out the Croner-i Health and Safety Knowledge Centre to all our members, giving them direct access to a wealth of resources and guidance, and being a service that particularly came into its own as the coronavirus situation developed and homeworking became the norm for many organisations.

Our international work also continued apace, with the expansion of RoSPA Qualifications – an Ofqual-recognised awarding organisation – into Russia, Central Asia and the Middle East through the approval of six education centres to deliver driver training road safety courses. We also ran our first International Health and Safety Excellence Forum in Dubai.

Closer to home, we supported the organisation of EuroSafe's EU-Safety 2019 conference, which took place in Luxembourg, and also began the process of taking on a communications support function for EuroSafe – a valuable European network that aims to prevent home and leisure accidents. We also kept abreast of Brexit-related legislation going through Parliament and how it might impact safety in the UK, partnering with other health and safety organisations to focus on how workers' rights, including safety, may be affected.

And we were honoured to be able to hold a three-day exhibition in the Members' Lobby of the Scottish Parliament, engaging with MSPs about our community safety work, which spans home and water safety.

More details about RoSPA's achievements and performance will be available in the RoSPA Annual Review 2019/20 (www.rospace.com/annualreview), which will be released to mark RoSPA's 2020 AGM (to take place in March 2021).

Financial Review of RoSPA 2019/20

The Society's Key Performance Indicators are the trading surplus or deficit and the balance of unrestricted funds. The society produced a trading deficit of £104k for the year (2019: deficit £100k). This included a £237k (2019: £362k) charge in respect of the legacy final salary pension scheme.

After accounting for an unrealised loss on investments of £385k (2019: £93k gain) before expenses of £26k (2019: £25k), no movement in the value of heritage assets (2019: no movement) and an actuarial gain on the final salary pension scheme of £359k (2019: £126k loss) there was a net deficit for the year of £130k (2019: £133k deficit). The £130k deficit was represented by a decrease in unrestricted funds of £127k and a decrease of £3k in restricted funds.

The loss on investments was a direct consequence of the performance of world stock markets in the face of the coronavirus pandemic. As a result of this the investment portfolio lost £630k in the last 3 months of the financial year (31 December 2019 to 31 March 2020).

RoSPA strives to drive income growth through the delivery of more services in both the domestic and international markets, but income fell by 5% in the year (2019: 3.75% growth). This fall was largely the result of trading operations stopping suddenly at the start of the UK coronavirus shutdown in March 2020. However, RoSPA's focus on value-for-money and efficient use of resources has meant that expenditure has decreased in the year by 4.9% (2019: 7.1% increase).

RoSPA has net liabilities of £367k as at 31 March 2020 (31 March 2019: £237k liabilities). Nevertheless, given the long term nature of the pension liability, planned cost saving measures and with cash and debtors of £3.1 million (2020: £3.2 million) and investments of £3.8 million (2020: £4.1 million) as of the balance sheet date, the Board remains of the view that RoSPA is a going concern.

The Group continued to maintain a healthy bank balance: at the year end, cash balances totalled £1.0 million (2019: £1.3 million).

In overview, 28% of the Society's income for 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 the hosting of events to assist in the implementation of new legislation and other key initiatives.

RoSPA's wholly owned trading subsidiary, RoSPA Enterprises Ltd (REL), continued to trade successfully during the period, providing training and consultancy, advertising and sponsored activities such as the RoSPA Occupational Health & Safety Awards Scheme. For the year ended 31 March 2020 REL made a covenanted payment to the Charity, included in the results discussed above, of £499k, representing all of its taxable profits (2019: £658k).

Further information about the extensive range of activities and services provided through REL are included in the Annual Review and on the RoSPA website (www.rospace.com).

The factors likely to affect the financial position going forward as identified by the Trustees on the risk register are primarily external in respect of movement on investments and liabilities and the net liability in respect of the final salary pension scheme deficit. These are mitigated by the fact that RoSPA maintains significant cash balances, has no external debt and holds significant long term investments.

Pension Scheme

Despite being closed to new members and new accruals since 2001 the deficit remains significant; £5,983k at year end, (2019: £6,397k). Nevertheless, RoSPA has no external debt other than trade creditors and has been successful at strengthening its balance sheet over recent years to provide a strong covenant for this long term liability. An ongoing agreement is in place to make additional annual contributions, supplemented by a further agreement to make further contributions insofar as the Society exceeds its annual financial targets, with a view to clearing the funding deficit over the medium term. The latest triennial valuation of the Scheme fell due on 5 April 2019, with negotiations concluded with the Pension Scheme to continue additional annual contributions at a rate of £277k.

The Scheme itself is managed by its own Board of Trustees and is administered by Isio Group Ltd. The Scheme continues to invest a proportion of its assets in a form of 'Liability Driven Investment', with the intention of achieving better tracking between movements in the Scheme's assets and liabilities and thereby reducing volatility in the valuation of the deficit.

Reserves

The Trustees continue to recognise the need to hold sufficient free reserves to protect the continuation of RoSPA's core activities. These reserves should allow the organisation to plan ahead with a reasonable degree of confidence in the event of income shortfalls due to economic or market downturns and to undertake effective long-term strategic planning.

Free reserves available for use by RoSPA comprise those that are readily realisable, less funds subject to restricted uses or designated for particular purposes and less fixed assets. At 31 March 2020 these comprised a total of £3,537k (2019: £3,989k), a decrease of £452k for the year.

The ongoing target level for RoSPA's free reserves should approximately equate to six months of fixed operating costs or £2,750k, reflecting the variability of commercial returns and the fact that RoSPA's income is predominantly self-generated via its training and associated activities. Hence we are currently operating at our target level of free reserves. Restricted reserves at 31 March 2020 were £297k (2019: £301k) as analysed in Note 2 to these accounts.

Investment Portfolio

The investment portfolio managed by Rathbone Investment Management Ltd, London decreased in value by £339k during the period. This included investment management fees of £26k and dividends achieved on investments of £76k, leaving a balance of £3,793k. The total return on investment stood at -7.6% over the period.

The fall in value of investments during the year mirrored the fall in world stock market values during March 2020 as a result of the economic effects of the coronavirus pandemic. After the 31 March 2020 quarterly valuation, the value of investments recovered throughout the rest of the 2020 calendar year. Adjusting for a withdrawal to meet working capital requirements their value had grown by 18.5% as of the 31 December 2020 valuation.

The Investment Policy continues to target three objectives:

- a) The maintenance/enhancement of invested funds - Rathbone are seeking to deliver CPI+4% over the investment cycle;
- b) a reasonable balance between capital growth and income; and
- c) the avoidance of undue risk.

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

Plans for Future Periods

In policy terms, RoSPA will continue to develop the key safety messages, issues and programmes it currently pursues, with the goal of cutting accident rates across all areas. This will continue to involve working with governmental and other organisations to develop effective strategies for reducing accidents and avoiding the lost opportunities and adverse societal impacts they cause.

In terms of its business activities, RoSPA will continue to focus on managing its affairs professionally and efficiently and on providing high quality training and consultancy to its clients, 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, web-based training and presentations and via information systems, which are increasingly used by business where staff time is at a premium.

The advent of the Covid-19 pandemic and the lockdown measures introduced in the UK from mid March 2020 onwards had a significant adverse affect on RoSPA like many other companies across the world. During the early part of the 2020/21 financial year the organisation took advantage of the UK Government furlough grant with significant elements of the workforce placed on furlough. This, however, did not stop RoSPA making significant investments in developing a portfolio of e-learning, online and virtual training courses and a fully 'virtual' annual awards ceremony delivered in September 2020. Throughout the summer of 2020 a full re-organisation of the workforce was undertaken to streamline the business and to reduce the organisation's cost base, but enable it to work more efficiently moving forward.

Principal Risks and Uncertainties

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.
- Clear allocation of all significant risks to named individuals.

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

- Final salary pension scheme deficit
- Weak economic environment
- Cessation of face to face activities due to restrictions in response to a pandemic
- Reputational risk
- Weak financial reserves

An independent third party review by BDO LLP of the organisation's Governance Framework was carried out during the year, which assessed the governance framework against the 7 principles of the Charity Governance Code. The Review concluded that in governance terms the Board of Trustees was effective. It made a number of recommendations to further enhance governance within the organisation and the Board of Trustees has committed to implement these over the next 12 - 18 months.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

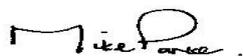
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements 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 are sufficient to show and explain the charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 10 March 2021.



Mr M Parker CBE
Chairman

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF
THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS**

Opinion

We have audited the financial statements of The Royal Society for the Prevention of Accidents ("the Parent") and its subsidiary ("the Group") for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises: Reference and Administrative Details, Structure Governance and Management, Objectives and Activities and the Strategic Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Directors' responsibilities, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom
Date 22 March 2021

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 2020

	Note	2020 Unrestricted £'000	2020 Restricted £'000	2020 Total Funds £'000	2019 Unrestricted £'000	2019 Restricted £'000	2019 Total Funds £'000
Income and endowments from:							
Donations and legacies		-	-	-	-	-	-
Charitable activities							
At Work		5,194	154	5,348	5,487	116	5,603
At Leisure		55	45	100	22	45	67
On the Road		1,443	471	1,914	1,478	437	1,915
In the Home		235	315	550	153	602	755
By influencing and informing		627	106	733	721	56	777
Investments	4	80	-	80	67	-	67
Other		14	-	14	15	-	15
Total Income	2	7,648	1,091	8,739	7,943	1,256	9,199
Expenditure on:							
Raising Funds							
Investment Management Costs		26	-	26	25	-	25
Charitable activities							
At Work		5,072	162	5,234	5,192	115	5,307
At Leisure		97	147	244	19	209	228
On the Road		874	805	1,679	1,134	745	1,879
In the Home		84	576	660	(40)	839	799
By influencing and informing		885	115	1,000	1,016	45	1,061
Total expenditure	5	7,038	1,805	8,843	7,346	1,953	9,299
Net income/ (expenditure) pre investment gains and losses		610	(714)	(104)	597	(697)	(100)
Net gains / (losses) on investments		(385)	-	(385)	93	-	93
Transfers between funds	2	(711)	711	-	(717)	717	-
Net income/ (expenditure)		(486)	(3)	(489)	(27)	20	(7)
Other recognised gains/ (losses):							
Heritage Asset Revaluation Gain	8	-	-	-	-	-	-
Actuarial (loss) / gain		359	-	359	(126)	-	(126)
Net Movement in funds		(127)	(3)	(130)	(153)	20	(133)
Fund Balances brought forward at 1 April	2	(538)	301	(237)	(385)	281	(104)
Fund Balances carried forward at 31 March	2	(665)	298	(367)	(538)	301	(237)

All of the above results are derived from continuing activities. All gains and losses in the year are included above. The notes on pages 19 to 32 form part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed Assets					
Tangible assets	6	1,683	1,768	1,683	1,768
Intangible assets	7	99	101	99	101
Heritage Assets	8	185	185	185	185
Investments	11	3,793	4,132	3,793	4,132
		5,760	6,186	5,760	6,186
Current Assets					
Debtors due within one year	10	2,064	1,935	1,729	1,766
Cash at Bank and in Hand		989	1,263	947	1,251
		3,053	3,198	2,676	3,017
Creditors: amounts falling due within one year	12	(3,197)	(3,224)	(3,117)	(3,114)
Net Current Liabilities		(144)	(26)	(441)	(97)
Total Assets less Current Liabilities		5,616	6,160	5,319	6,089
Pension Liability	18	(5,983)	(6,397)	(5,983)	(6,397)
Net Liabilities		(367)	(237)	(664)	(308)
Funds :					
Unrestricted Funds excluding the Pension Liability		5,318	5,859	5,267	5,859
Pension Liability	18	(5,983)	(6,397)	(5,983)	(6,397)
Unrestricted Funds	2	(665)	(538)	(716)	(538)
Restricted Funds	2	298	301	52	230
Total Funds	2	(367)	(237)	(664)	(308)

The financial statements on pages 16 to 32 were approved by the trustees on 10 March 2021 and signed on their behalf by:



Mr M Parker CBE
Chairman

Consolidated Cash Flow Statement for the 12 months ended 31 March 2020

	Note	2020	2019
		£'000	£'000
Net cash (used in) / provided by operating activities	13	<u>(225)</u>	17
Cash flows from investing activities			
Dividends, interest & rents from investments		8	8
Payments to acquire tangible and intangible fixed assets	6/7	<u>(57)</u>	<u>(94)</u>
Net cash provided by / (used in) investing activities		<u>(49)</u>	<u>(86)</u>
Change in cash and cash equivalents in the reporting period		<u>(274)</u>	<u>(69)</u>
Cash and cash equivalents at the beginning of the reporting period		1,263	1,332
Cash and cash equivalents at the end of the reporting period		989	1,263
Decrease in funds		<u>(274)</u>	<u>(69)</u>

Notes forming part of the financial statements for the year ended 31 March 2020

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 Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

Going concern

In the current business climate, the Trustees acknowledge the ongoing COVID-19 pandemic. In response to the pandemic, management are monitoring all aspects of the Group's activities and have implemented the necessary operational changes to mitigate the financial impact of COVID-19. Actions have included a full reforecast of the financial position and cashflows for the period to March 2022 and stress testing the cash position to assess scenarios relating to reductions in income. The liquidity of investments has also been considered to ensure that funds are sufficiently accessible should they be called upon.

The Trustees have also considered the (£367) net liability position of the Group balance sheet at 31 March 2020. This is the result of the FRS102 actuarial valuation of RoSPA's final salary pension fund, which has a net deficit of (£6m) at 31 March 2020. This is a long term liability which is subject to annual valuation and will crystallise over the next 30 years. As such, the impact on cashflows over the going concern assessment period is far less significant and has been included in the modelling set out above.

Whilst a degree of uncertainty is inherent in cashflow forecasts during a pandemic, the Trustees do not consider this to be material uncertainty and are confident, based on the assessment performed, that cash and investments will remain sufficient to enable the Charity and Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing these accounts. The Trustees therefore consider it appropriate for the accounts to be prepared on a going concern 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.

b) Fund accounting (continued)

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.

To the extent costs of restricted fund projects are not covered by associated restricted income RoSPA contributes unrestricted funds. For the year ended 31 March 2020 the value of this contribution was £711k (2019: £717k).

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 to 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, Calthorpe Road and facilities costs.
2. Press Office and Information Centre 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
Fixtures	over 14-15 years
Office equipment	over 6-7 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.

f) Intangible assets and amortisation

Intangible assets are stated at historical cost less accumulated amortisation. Amortisation is provided on all intangible assets calculated to write off the cost on a straight line basis over the expected useful economic lives as follows:

Computer Software	over 4 years
-------------------	--------------

g) Investments

The investments are stated at their market value at the year end and any gains or losses are taken to the statement of financial activities. The investment policy is determined by the Board, and is reviewed every three years.

h) Pension costs

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 FRS102.

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. The Society's expenditure controls are designed to ensure that there is no such liability.

m) Heritage Assets

The charity's collection of artwork and posters is reported in the Balance Sheet at valuation. Valuations are reviewed every year and updated by professional valuers every 5 years or more often if the trustees consider it necessary. The trustees would consider this necessary if for example further heritage assets had been discovered or if the level of related sales had changed significantly in the period. It is the charity's policy to maintain its collection of artwork and posters in good condition and any maintenance costs incurred to preserve such are charged to the Statement of Financial Activities when incurred. The artwork and posters are deemed to have indefinite lives and the Trustees do not therefore consider it appropriate to charge depreciation.

n) Legacy Income

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

o) Sources of estimation uncertainty

i To determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases (see note 14) depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

ii To determine whether there are indicators of impairment of the company's tangible assets the factors taken into consideration include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Tangible fixed assets (see note 6) are depreciated over their useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

iii To determine the provision against trade debtors (see note 10) they are assessed at each reporting date for recoverability. If there is any evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

2. Statement of funds

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Other Recognised Gains £'000	Transfers £'000	At 31 March 2020 £'000
Restricted funds:						
<i>Grants and Sponsorships:</i>						
At Work						
Awards and Events Sponsorships	8	149	(155)	-	-	2
Other Occupational Sponsorships	6	5	(7)	-	-	4
	14	154	(162)	-	-	6
At Leisure						
Maritime & Coastguard Agency in respect of The National Water Safety Forum	84	30	(120)	-	107	101
National Water Safety Forum Donations	9	15	(27)	-	-	(3)
	93	45	(147)	-	107	98
On the Road						
Transport Scotland - Scotland's Road Safety Framework Activity	-	48	(105)	-	57	-
Welsh Government - Road Safety in Wales	-	118	(152)	-	34	-
Department for Transport - Road Safety Programme	-	209	(442)	-	233	-
Other Road Safety	31	96	(106)	-	5	26
	31	471	(805)	-	329	26
In the Home						
The Scottish Government	15	132	(154)	-	17	10
Department of Health, Social Services & Public Safety, Northern Ireland	23	71	(85)	-	-	9
Other Home Safety	74	112	(338)	-	258	106
	112	315	(577)	-	275	125
By influencing and informing						
Brighter Beginnings RoSPA Campaign	47	106	(114)	-	-	39
Other Campaigns & Sponsorship	4	-	(1)	-	-	3
	51	106	(115)	-	-	42
Total restricted funds	301	1,091	(1,806)	-	711	297
Unrestricted funds	(538)	7,648	(7,037)	(26)	(711)	(664)
Total funds	(237)	8,739	(8,843)	(26)	-	(367)

To the extent costs of restricted fund projects are not covered by associated restricted income RoSPA contributes unrestricted funds. For the year ended 31 March 2020 the value of this contribution was £711k (2019: £717k).

Grants and Sponsorships

At Work

Awards and Events Sponsorships include support from:

NEBOSH, Springfields Fuels Ltd, GPIC, Allianz, Tesco, Britax and NHS National Services Scotland for the Awards Scheme

Other Occupational Sponsorships include support from:

Safety Groups UK towards costs of administration and website hosting.

At Leisure

Water Safety Grant paid by:

The Maritime & Coastguard Agency to support the work of the National Water Safety Forum.

On the Road

Road Safety Grants Scotland paid by:

The Scottish Government to fund RoSPA's road safety activities in Scotland including providing in car safety training.

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.

In the Home

Home Safety Grants and Sponsorship Scotland paid by:

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

Scottish Fire & Rescue Service to support extension of Community Safety Project Officer

The Energy Networks Association to support Home Safety activity in Scotland in respect of Carbon Monoxide poisoning.

Home Safety Grants and Sponsorship Northern Ireland paid by:

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

Home Safety Grants and Sponsorship England paid by:

The Department for Business, Innovation and Skills to support improving product safety through the supply chain, including blind cord awareness, nappy sacks, poisoning and statistical research funding.

Department of Health for the Stand Up, Stay Up Taking the rise out of falls project supported by the Innovation, Excellence and Strategic Development Fund.

Poisoning Awareness Raising Programme supported by UKCPI.

Laundry Capsule collaboration with Procter and Gamble.

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.

3. Legacy Income

A residuary legacy of £106,487 was notified to the Society in a previous financial year. Following interim payments in previous years, a final payment of £9,620 was received in the year (2019 interim : £50,000). There was no other legacy income in the current nor previous period.

4. Investment income

	2020 £'000	2019 £'000
Interest receivable	4	4
Dividends receivable from investments	76	63
	<u>80</u>	<u>67</u>

5. Total resources expended

	Staff Costs £'000	Other Direct Costs £'000	Allocated Costs £'000	Total 2020 £'000	Total 2019 £'000
Raising Funds					
Investment Management Costs	-	26	-	26	25
Costs of Activities in furtherance of the charity's objects					
At Work	1,702	2,267	1,265	5,234	5,307
At Leisure	73	60	111	244	228
On the Road	459	721	499	1,679	1,879
In the Home	209	201	250	660	799
By influencing and informing	493	441	66	1,000	1,061
Support costs	1,048	(1,048)	-	-	-
Total resources expended	<u>3,984</u>	<u>2,668</u>	<u>2,191</u>	<u>8,843</u>	<u>9,297</u>

Other direct costs include :

	2020 £'000	2019 £'000
Depreciation and Amortisation	144	126
Auditors' remuneration: Audit fee	25	24
Audit Services REL	4	1
Operating lease rentals : Cars	13	21
Office Equipment	58	57
Property	61	61

6. Tangible fixed assets	Leasehold property £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 April 2019	2,028	394	365	2,787
Additions	-	-	15	15
Disposals	(12)	(13)	(66)	(91)
At 31 March 2020	2,016	381	314	2,711
Depreciation				
At 1 April 2019	420	286	314	1,020
Charge for Year	48	25	26	99
Disposals	(12)	(13)	(66)	(91)
At 31 March 2020	456	298	274	1,028
Net book value				
At 31 March 2020	1,560	83	40	1,683
At 1 April 2019	1,608	108	52	1,768

7. Intangible fixed assets	Computer Software £'000	Total £'000
Cost		
At 1 April 2019	179	179
Additions	42	42
At 31 March 2020	221	221
Amortisation		
At 1 April 2019	77	77
Charge for Year	45	45
At 31 March 2020	122	122
Net book value		
At 31 March 2020	99	99
At 1 April 2019	101	101

Intangible fixed assets are the Computer software relating to the CRM, the development of a new website, accounting and other systems.

8. Heritage Assets

The Society's archive of artwork and posters was valued at £185,000 at 31 March 2018 by Dr Paul Rennie of the University of Arts, London. Management reviewed the valuation at 31 March 2020 based on prevailing market conditions and confirmed there was no movement in the valuation.

9. 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 2020 £'000	Total 2019 £'000
Turnover	1,679	1,822
Cost of Sales	(1,079)	(1,066)
Gross Profit	600	757
Administrative Expenses	(101)	(98)
Net Profit	499	658

The aggregate of the assets, liabilities and funds was:

Assets	446	455
Liabilities	(446)	(455)
Funds (representing 2 ordinary shares of £1 each)	-	-

10. Debtors due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	1,574	1,408	1,321	1,087
Other debtors	65	34	4	2
Amount owed by subsidiary undertaking	-	-	-	266
Legacy income accrued	-	56	-	56
Prepayments	425	437	404	355
	2,064	1,935	1,729	1,766

11. Investments - Group and Charity

	2020 £'000	2019 £'000
Market value at 1st April	4,132	4,006
Cash withdrawals	-	-
Management Fee	(26)	(25)
Investment (loss) / gain	(385)	93
Cash investment	-	-
Dividends / Income reinvested	72	57
Market value at 31st March	3,793	4,132
Historical cost at 31st March	3,597	3,484

Investments are held to achieve long term capital growth with income

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

	2020 £'000	2019 £'000
UK Equities	1,086	1,379
Overseas Equities	1,301	1,537
Fixed Interest	315	480
Cash	537	241
Other	554	495
	3,793	4,132

The Charity owns 100% of the share capital of RoSPA Enterprises Limited, a company registered in England and Wales company no 3021397.

12. Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	297	389	278	355
Taxation and social security costs	219	269	219	269
Accruals	401	213	287	136
Amount owed to subsidiary undertaking	-	-	53	-
Deferred income	2,280	2,353	2,280	2,353
	3,197	3,224	3,117	3,114

Deferred Income is in relation to events and membership fees received in advance. Income is recognised in the statement of financial activities in the period to which it relates.

Deferred income released from the prior year was £2,353k and deferred income received in the current year was £2,280k.

13. Cash flow information for the group

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

	2020 £'000	2019 £'000
Net income / (net expenditure) for the reporting period	(489)	(7)
Adjustments for :		
Loss / (Gain) on investments	385	(93)
Investment Management Costs	26	25
Society Pension Contributions	(292)	(316)
Pension Costs borne by pension fund	237	362
Depreciation and amortisation	144	126
Dividends, interest, rents on investments	(80)	(67)
(Increase) / Decrease in debtors	(129)	(54)
Increase / (decrease) in creditors	46	(76)
(Decrease) / Increase in deferred income	(73)	117
Net cash provided by / (used in) operating activities	(225)	17

14. Financial commitments

At 31 March the group had total future commitments under non-cancellable leases as follows :

	Land and Buildings 2020 £'000	Other 2020 £'000	Land and Buildings 2019 £'000	Other 2019 £'000
Payments due:				
Within one year	61	194	61	219
Two to five years	217	195	173	170
	278	389	234	390

15. Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year (2019: £nil).

Out of pocket expenses incurred by Trustees were as follows :

	2020 Number	2019 Number	2020 £	2019 £
Travel	5	7	3,211	3,020

16. Staff costs

	2020	2019
	£'000	£'000
Wages and salaries	3,350	3,461
Social security costs	298	305
Pension costs	220	230
Other staff costs	116	125
	<u>3,984</u>	<u>4,120</u>

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

	2020	2019
	Number	Number
£60,000 - £70,000	3	5
£70,001 - £80,000	2	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1

Seven employees (2019: Seven) earning more than £60,000 in the year participated in recognised pension schemes to which contributions of £42,922 were paid during the year (2019: £41,424) on their behalf. The total employee benefits of the senior management team were £700,340 (2019: £711,033).

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

	2020	2019
	Number	Number
Charitable activities and cost of generating funds	78	84
Management and administration of the charity	22	24
	<u>100</u>	<u>108</u>

Termination and redundancy payments made to staff in the period totalled £46,319 (2019: £nil)

17. Status

The Society is a Company registered in England no. 231435, limited by guarantee and having no share capital. There were 3,483 registered members as at 31 March 2020 (2019: 3,619) 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's charitable activities are exempt from corporation tax.

18. 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 2010 and has been updated to 31 March 2020 by a qualified independent actuary.

Society contributions of £292,000 were paid over the year ended 31 March 2020. This includes payments towards expenses of £86,000. The Society expects to contribute £293,000 plus £70,000 in expenses, to its defined benefit pension scheme in the next financial year.

The amounts recognised in the balance sheet are as follows:

	2020	2019
	£000	£000
Present value of funded obligations	15,483	16,414
Fair value of scheme assets	(9,500)	(10,017)
	5,983	6,397
Present value of unfunded obligations		
Deficit	5,983	6,397
Related deferred tax asset	n/a	n/a
Net liability	5,983	6,397
Amounts recognised in the balance sheet		
Liabilities	5,983	6,397
Assets	-	-
Net liability	5,983	6,397

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 profit or loss are as follows:

	2020	2019
	£000	£000
Interest on obligation	(151)	418
Expected return on scheme assets	-	(259)
Past service cost	0	141
Expenses	(86)	62
Total	(237)	362

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

	2020	2019
	£000	£000
Opening defined benefit obligation	16,414	16,452
Past service cost	-	141
Interest cost	384	418
Actuarial losses(gains)	(502)	189
Benefits paid	(813)	(786)
Closing defined benefit obligation	15,483	16,414

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

	2020	2019
	£000	£000
Opening fair value of scheme assets	10,017	10,227
Interest income	233	259
Actuarial (losses)gains	(143)	63
Contributions by employer	292	316
Expenses	(86)	(62)
Benefits paid	(813)	(786)
Closing fair value of scheme assets	9,500	10,017

The major categories of scheme assets as a percentage of total scheme assets:

	2020	2019
	%	%
Bonds	31	31
Liability Driven Investment	20	18
Diversified Growth Fund	48	50
Cash & Other	1	1

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

	2020	2019
Discount rate	2.3%	2.4%
Expected return on scheme assets	0.9%	3.2%
Inflation (RPI)	2.8%	3.2%
Inflation (CPI)	1.8%	2.0%
Future revaluation of pensions in deferment	1.9%	2.3%

Mortality - current pensioners

	2020	2019
Actuarial tables used	S3PA 110%, CMI-2018 YOB 1.0%	S3PA 110%, CMI-2018 YOB 1.0%
Male life expectancy at age 65 (years from 65)	20.9	20.9
Female life expectancy at age 65 (years from 65)	23.2	23.2

Mortality - future pensioners currently aged 45

	2020	2019
Actuarial tables used	S3PA 110%, CMI-2018 YOB 1.0%	S3PA 110%, CMI-2018 YOB 1.0%
Male life expectancy at age 65 (years from 65)	22	21.9
Female life expectancy at age 65 (years from 65)	24.4	24.4

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 from the diversified growth fund, 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.

Amounts recognised in the balance sheet for the current and previous four periods:

	2020	2019	2017	2016	2015
	£000	£000	£000	£000	£000
Defined benefit obligation	15,483	16,414	16,452	17,472	16,025
Scheme assets	(9,500)	(10,017)	(10,227)	(10,869)	(10,111)
Deficit / (surplus)	5,983	6,397	6,225	6,603	5,914

19. 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

	2020	2019
	£'000	£'000
Gross incoming resources	<u>7,560</u>	<u>8,035</u>
Net outgoing resources	<u>(988)</u>	<u>(666)</u>
Net Movement in Funds	<u>(356)</u>	<u>(107)</u>

20. Analysis of net assets between funds

	Fixed Assets	Net Current Assets	Pension Scheme Funding Deficit	Total
	£'000	£'000	£'000	£'000
Restricted	-	298	-	298
Unrestricted	5,760	(442)	(5,983)	(665)
As at 31 March 2020	<u>5,760</u>	<u>(144)</u>	<u>(5,983)</u>	<u>(367)</u>
Restricted	-	301	-	301
Unrestricted	6,186	(327)	(6,397)	(538)
As at 31 March 2019	<u>6,186</u>	<u>(26)</u>	<u>(6,397)</u>	<u>(237)</u>

21. Financial Instruments

The Group's and Company's financial instruments may be analysed as follows:

	2020	2019
	£'000	£'000
Financial assets		
Financial assets measured at cost less impairment	<u>2,628</u>	<u>2,760</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>698</u>	<u>602</u>

Financial assets measured at amortised cost comprise cash and trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow, interest rate risk, and foreign exchange risk is included in the Directors' report.

22 Related party transactions

None of our trustees receive remuneration or other benefit from their work with the Society. Any connection or contractual relationship between a trustee or member of the senior management team and any client must be disclosed to the Board of Trustees. In the current year there were no such related party transactions reported and no balances as at 31 March 2020.

23 Post balance sheet events

The value of the investment portfolio at the balance sheet date (£3.8m) was negatively affected by the downturn in the global stock markets due to the Covid-19 pandemic in the first few months of 2020. Since the balance sheet date the value of the investment portfolio has increased, reaching a market value of £4.0m as at 31 December 2020.