

Company number: 00216431

Radio Society of Great Britain

Report and financial statements
For the year ended 31 December 2016

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Radio Society of Great Britain

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Radio Society of Great Britain

Reference and administrative information

For the year ended 31 December 2016

Company number	00216431	
Registered office and operational address	3 Abbey Court Fraser Road, Priory Business Park BEDFORD, MK44 3WH	
Country of registration	England & Wales	
President	Nick Henwood	G3RWF
Chairman	Steve Hartley	G0FUW
Treasurer	Richard Horton FCA	G4AOJ
Company Secretary	Steve Hartley	G0FUW
Audit Committee	Stewart Bryant Stan Lee Richard Horton FCA	G3YSX G4XXI G4AOJ
Bankers	Natwest Plc 181 Darkes Lane, Potters Bar HERTFORDSHIRE, EN6 1XT	
Solicitors	Hatchers Solicitors LLP Welsh Bridge, 1 Frankwell SHREWSBURY, SY3 8LG	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House, 108-114 Golden Lane LONDON, EC1Y 0TL	

1. Introduction and overview

This report provides an overview of the finance and governance of the Society during 2016.

2016 was a busy year as the RSGB continued to improve its services to ensure members enjoy their interest in radio communications to the full. The Board pays tribute to the volunteers and staff who continue to work tirelessly to ensure that services are supported and improved.

A Survey of Amateur Radio in the UK, last undertaken in 2010 ahead of a Strategic Review was completed in the last quarter of 2015. The outcome was analysed during the first quarter of 2016 and the findings were presented at the AGM in April and the Convention in October and were summarized in RadCom.

There were several changes in personnel with a new General Manager, a new President, a new Director and a new Board Chairman all taking up office in April.

There was significant work on the Society's quinquennial Strategic Review with the involvement of external professional assistance freely given by Chris Deacon, G4IFX. Meetings and workshops sought views from the Board, the Regional Council, the Leadership Team and RSGB HQ staff. Consultation with the Society as a whole will take place through February 2017 and the launch of the new strategy is planned for the 2017 AGM.

The interests of the UK amateur radio community were represented by the RSGB at numerous meetings with Ofcom, at the IARU Region 1 interim meeting in Vienna and at the CEPT meeting in Rome as part of the preparation for the World Radio Conference in 2019. RSGB volunteers were present at over 50 amateur radio rallies in the UK and the international gatherings at Friedrichshafen and Dayton.

There was a huge amount of work in support of the ARISS contacts with Tim Peake, the UK astronaut on the International Space Station. Ten schools made contacts with Tim Peake who was using the callsign GB1SS. Media interest was high and a number of school radio clubs were established following the ISS contacts.

Two significant agreements were signed during the year, the first handing over the management of the Islands On The Air award scheme to IOTA Ltd and the other re-unifying RSGB RAYNET and the RAEN.

2. Statement of the Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United

Directors' annual report

For the year ended 31 December 2016

Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the directors confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the directors also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

The Directors who served on the Board during the year and up to the date of this Report were as follows:

Name	Position Held	Comments
John Gould G3WKL	President (elected)	Until 23/04/2016
Stan Lee G4XXI	Nominated Director	Until 23/04/2016
Barry Palin G4AHK	Co-opted Director	Until 23/04/2016
Len Paget GM0ONX	Elected Director	
Steve Hartley G0FUW	Elected Director	
Alan Messenger G0TLK	Elected Director	
Stewart Bryant G3YSX	Nominated Director	Until 23/04/2016
	Elected Director	From 23/04/2016
Graham Murchie G4FSG	Elected Director	Until 23/04/2016
	Nominated Director	From 23/04/2016
Ian Shepherd G4EVK	Nominated Director	From 23/04/2016
Nick Henwood G3RWF	President (elected)	From 23/04/2016

3. Governance

The Board met 12 times in 2016; an additional meeting was convened to focus on the Strategic Review. Proceedings of those meetings have been published on the RSGB website.

The Leadership Team, comprising members of the Board, Committee Chairs, Honorary Officers, Regional Managers and senior members of staff met twice during the year.

The Board reviewed and updated its risk register, looking at current and potential risks to the operation of the Society. Mitigating action was taken where possible. Next full review is planned for March 2017.

The first audit of the examination system since its management was transferred from the RCF to the RSGB was completed. The audit identified a small number of issues but concluded the system was fit for purpose.

4. Financial results

The Society reported an operating surplus of £32,000 (2015 – £34,000), and a surplus on ordinary activities before taxation of £37,000 (2015– £51,000). These results are in line with the objective of achieving a roughly breakeven result each year.

Turnover, which comprises membership subscriptions and commercial income from merchandising (primarily books) and advertising remained largely unchanged at £1,482,000 (2015– £1,476,000). Operating expenses amounted to £1,351,000 (2015 – £1,344,000).

The Society received legacies during the year of £21,000 (2015 – £17,000). There was £1,000 of expenditure attributable to legacies during the year (2015 – £21,000). The Society's Legacy Committee continues to explore ways in which these funds can be deployed for the benefit of amateur radio. Undisbursed Legacy Funds amounted to £195,000 at 31 December 2016 (2015 – £175,000).

The Society's net assets at 31 December 2016 amounted to £1,278,000 (2015 – £1,221,000).

During the year the Board decided, after careful consideration based on professional advice, to invest £250,000 of the Society's funds in a balanced portfolio of funds. The objective is to obtain a return in excess of the current unattractive yield on cash deposits. This investment was made just prior to the year end. The Board will review performance, in conjunction with its professional advisers, on a regular basis. The returns will be used to further the Society's strategy and objectives.

With a general upward trend in membership over the last few years, and good financial management, the Board has been able to keep membership subscriptions at the same level for the 6th year in a row; the last increase was on 1 January 2011. However, we cannot rule out a change in 2018 – the economic outlook is far from certain.

5. Membership recruitment and retention

At the end of the year there were 20,981 members of the Society, an increase of 65 on 2015 year end. When set against the number of members becoming 'silent keys' this is seen to be a very positive result.

Increasing the membership of the Society and retaining members remain our top priorities and to do this means we must ensure the quality of our services to existing members as well as recruiting anew. Our members are our best recruiters and we thank everyone for their support.

6. Volunteers

We would like to record our thanks for all of the volunteer support we received, and continue to receive. The time and effort given up so freely allows us to deliver an impressive range of services that are valued by our members. A volunteering video was published in 2016 and now forms part of a revamped vacancies webpage.

If any Member is interested in volunteering, then we would be delighted to hear from you – the personal satisfaction of volunteering one's time and skills can be a two-way process of giving and receiving; a true partnership.

The Society was saddened by the death of Rupert Thorogood, G3KKT, who had been the Company Secretary for ten years. Rupert's funeral was attended by the President, three past Presidents and the Board Chairman.

7. Affiliated Clubs

Traditionally, clubs were seen as the social life blood of amateur radio but increasingly there are questions over whether this holds true in the 21st century. There is no doubt that many clubs still provide an excellent service, including licence training and examinations but we are sensing a move to less formal groupings and virtual clubs.

We ran the Club of the Year competition and plan to do so again in 2017 with continued sponsorship from Waters & Stanton.

A review of good practice in clubs and similar groups has been planned for 2017 with the aim of sharing what has been seen to be successful.

8. HQ management

The Headquarters staff continues to provide a first class service with every department securing a high score in the results of the 2015 Survey of Amateur Radio in the UK. Steve Thomas, who took over as General Manager in April 2016, has settled in well and now leads the HQ team and supports the Board in its work.

The new General Manager reviewed the IT system and has commenced work on a suite of improvements that should allow new and improved services to be provided within existing budgets.

The Board would like to record its thanks to all of our small dedicated team at Abbey Court in Bedford.

9. Communications

In 2016 we continued to work on our communications. We had very positive feedback about our social media presence and the new videos on our YouTube channel have proved to be popular across the amateur radio world. As a result of feedback from users we introduced a new menu system for our website and further updates are planned for 2017.

We have discussed Committee communications with our Leadership Team and, monthly e-newsletters are sent to every affiliated club. Whilst there is more work to be done, with the professional advice of the RSGB's Communications Manager, communication across the Society continues to improve.

10. Publications

RadCom continues to be seen as one of the best amateur radio publications in the world and received much positive feedback on the improved format for 2016. RadCom Plus, which is targeted at those who aspire to a more in depth technical treatment of amateur radio, was

published twice during 2016 and has continued to attract a significant readership. RadCom Basics has continued to provide a consistent family of publications with something for all levels of knowledge and understanding.

The RSGB published 13 new book titles in 2016. Sales of the regular titles were generally on a par with previous years. The lack of new writers and titles does though continue to constrain overall sales. Three of the new titles were also published in Kindle format and sales for all these equates to about 10% of the sales of paper copies, which is roughly what had been expected. E-publishing has yet to become a significant income for the Society.

The RSGB Yearbook had to be re-published due to errors in the data provided by Ofcom. The costs involved in republication and replacement of original copies were covered by Ofcom.

11. License examinations

Demand for exams continues to hold level. Congratulations to all those involved at all levels; students, trainers, assessors and examination teams. Advanced examinations moved to being available 'on demand' rather than on fixed dates in 2016. This has allowed some exam centres to host exams when they were previously unable to do so on the fixed dates and has seen the HQ work load even out over longer periods.

Work has been carried out to meet the long held aim of being able to provide the option of on-line examinations. Plans are in place to start offering Advanced exams using a secure on-line system during 2017. The other examinations will follow in due course. Paper-based exams will continue to be available for those who require them.

12. National Radio Centre (NRC)

The NRC continues to showcase radio communication at Bletchley Park and visitor numbers have continued to increase. We arranged for a building condition survey during the year and will have short and long term maintenance plans in place during 2017.

The NRC shack was enhanced through a generous donation of a modern Software Defined Radio from FlexRadio. Work is in hand to refresh some of the displays, in particular the Future Zone and we are working with Bedford University who continued to support the Centre in 2016.

13. Annual convention

The RSGB convention continues to grow in attendance and its diversity of offerings and we are grateful for the continued sponsorship from Martin Lynch & Sons. Attendance was up by some 10% in 2016. The publication of some presentations as member-only videos attracted large numbers of views. We plan to make some of the 2016 videos accessible to all via our YouTube channel during 2017. The Society has agreed to co-locate the annual AMSAT-UK Colloquium at the 2017 RSGB convention.

Radio Society of Great Britain

Directors' annual report

For the year ended 31 December 2016

14. Auditor

Sayer Vincent LLP were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the directors on 18 February 2017 and signed on their behalf by



S Hartley GOFUW
Board Chairman & Company Secretary

Independent auditor's report

To the members of

Radio Society of Great Britain

Opinion

We have audited the financial statements of Radio Society of Great Britain (the 'company') for the year ended 31 December 2016 which comprise the profit and loss account, balance sheet, and the 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 company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are 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 relating 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

Independent auditor's report

To the members of

Radio Society of Great Britain

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out in the directors' annual report, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

To the members of

Radio Society of Great Britain

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.aspx This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

24 February 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Radio Society of Great Britain

Statement of comprehensive income

For the year ended 31 December 2016

	Note	Operations £'000	Legacy Funds £'000	2016 Total £'000	Operations £'000	Legacy Funds £'000	2015 Total £'000
Turnover	2	1,482	21	1,503	1,476	17	1,493
Cost of sales		(99)	-	(99)	(98)	-	(98)
Gross surplus		1,383	21	1,404	1,378	17	1,395
Sales and distribution expenses		(155)	-	(155)	(155)	-	(155)
Other operating expenses		(1,196)	(1)	(1,197)	(1,189)	(21)	(1,210)
Operating surplus		32	20	52	34	(4)	30
Profit on disposal of fixed assets		-	-	-	12	-	12
Interest receivable		5	-	5	5	-	5
Surplus on ordinary activities before taxation	4	37	20	57	51	(4)	47
Taxation	6	-	-	-	-	-	-
Retained surplus for the financial year		37	20	57	51	(4)	47
Other comprehensive income							
Currency translation differences		-	-	-	-	-	-
Total comprehensive income		37	20	57	51	(4)	47
Accumulated surplus at the start of the year		1,037	184	1,221	986	188	1,174
Accumulated surplus at the end of the year		1,074	204	1,278	1,037	184	1,221

All of the above results are derived from continuing activities. The movement in the income and expenditure account is shown in note 13. All movements in funds are included within the statement above.

*Operations includes membership and related commercial activities

Radio Society of Great Britain
Statement of financial position

Company number: 00216431

As at 31 December 2016

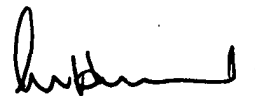
	Note	£'000	2016 £'000	2015 £'000
Tangible fixed assets:				
Property, plant and equipment	7		412	459
Investments	8		<u>250</u>	<u>-</u>
			662	459
Current assets				
Inventories	9	64		67
Debtors	10	102		61
Cash at bank and in hand		<u>977</u>		<u>1,175</u>
		1,143		1,303
Creditors: amounts due within one year	11	<u>527</u>		<u>541</u>
Net current assets			<u>616</u>	<u>762</u>
Net assets			<u>1,278</u>	<u>1,221</u>
Capital and reserves				
Income and expenditure account			1,074	1,037
Combined Legacy reserves	16		195	175
Spectrum Defence Fund reserve	16		<u>9</u>	<u>9</u>
Total funds	13		<u>1,278</u>	<u>1,221</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the directors on 18 February 2017 and signed on their behalf by



Steve Hartley GOFUW
Chairman



Nick Henwood G3RWF
President

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

a) Statutory information

Radio Society of Great Britain is a company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 3 Abbey Court, Fraser Road, Priory Business Park, Bedford, MK44 3WH.

b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

c) Going concern

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

d) Income

Turnover represents the invoiced amounts of goods sold and services provided, net of Value Added Tax and trade discounts. Turnover comprises subscription income, book income, advertising income and exam income. Subscriptions income is recognised on a monthly basis over the duration of the subscription; book income is recognised on despatch of books; advertising income is recognised on publication date; and exam income is recognised on the date of the exam. Legacies, donations and voluntary income are recognised when received or receivable - whichever is earlier. All income arises in the UK.

e) Tangible fixed assets

Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life (except freehold land which is not depreciated), as follows:

Leasehold buildings	2%
Bletchley Park Building	4%
Bletchley Park Fixtures & Fittings	20%
Computer equipment	33%
Fixtures and fittings	10%
Furniture and equipment	20%
Motor Vehicles (not leased)	33%
Leased assets (motor vehicles)	over the period of the lease

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value or value in use.

Assets are capitalised where the purchase price exceeds £1,000.

1. Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the bank.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

h) Deferred tax

Any charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. When this arises it appears in the income and expenditure account. Provision is made on the liability method for all taxation deferred in respect of timing differences to the extent that, in the opinion of the directors, a liability is likely to crystallise in the foreseeable future.

i) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of comprehensive income and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of comprehensive income.

j) Pension

The Society contributes to group personal pension policies to provide benefits for employees on a defined contribution basis. The assets of the policies are held separately from those of the Society in independently administered funds. The amount charged to the income and expenditure account represents the contributions payable to the policies in respect of the accounting period.

k) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at rates of exchange ruling at the transaction date. Exchange differences are taken into account in arriving at the net incoming resources for the year.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2016

2. Turnover

	2016 £'000	2015 £'000
Subscription income	883	858
RadCom advertising income	182	185
Book sales	277	267
Other income (note 3)	140	166
	<u>1,482</u>	<u>1,476</u>

3. Other income

	2016 £'000	2015 £'000
Foundation licence exams	50	50
Intermediate licence exams	23	23
Full licence exams	17	17
3rd Party Book Production	2	1
Commercial Sponsorship	8	13
Sundry income	4	25
Rallies and exhibition fees	36	37
	<u>140</u>	<u>166</u>

4. Surplus on ordinary activities before taxation

This note lists significant items in the income and expenditure account.

The surplus is stated after charging / (crediting):

	2016 £'000	2015 £'000
Depreciation on owned assets	68	62
Depreciation on leased assets	-	3
Interest receivable	(5)	(5)
Profit on disposal of other fixed assets	-	(12)
Directors' remuneration	-	-
Board reimbursed expenses	17	15
Regional & Committee reimbursed expenses	23	27
Auditors' remuneration:		
▪ Audit	12	11
▪ Non-audit services	1	3
Legal expenses	7	3
	<u>7</u>	<u>3</u>

Expenses totalling £17,000 (2015: £15,000) were reimbursed to 7 Board members (2015: 8) for directly incurred travel and subsistence costs of attending meetings, and other sundry costs. Board members serve in a voluntary capacity and are not remunerated for their services.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2016

5. Staff costs and numbers

	2016 £'000	2015 £'000
Salaries and wages	439	429
Social security costs	41	41
Pension contributions	17	11
	<u>497</u>	<u>481</u>

The average weekly number of employees during the year was as follows:

	2016 No.	2015 No.
Headquarters staff	<u>15</u>	<u>15</u>

6. Taxation

	2016 £	2015 £
UK corporation tax	<u>-</u>	<u>-</u>

RSGB has an agreement with HMRC over the calculation of trading profits for corporation tax purposes. In recent years this has generated a loss, contributing to a deferred tax asset (see note 12). RSGB has generated a tax loss in the year, and consequently no corporation tax liability has arisen in the year.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2016

7. Property, plant and equipment

	Leasehold land and buildings £'000	Computer equipment £'000	Fixtures and fittings £'000	Furniture and equipment £'000	Motor vehicles £'000	Bletchley Park £'000	Bletchley Park F&F £'000	Totals £'000
Cost								
At the start of the year	339	107	5	45	38	209	140	883
Additions in year	-	13	-	8	-	-	-	21
Disposals in the year	-	-	-	-	-	-	-	-
At the end of the year	<u>339</u>	<u>120</u>	<u>5</u>	<u>53</u>	<u>38</u>	<u>209</u>	<u>140</u>	<u>904</u>
Depreciation								
At the start of the year	53	73	4	34	9	126	125	424
Charge for the year	7	26	-	4	13	4	14	68
Disposals in year	-	-	-	-	-	-	-	-
At the end of the year	<u>60</u>	<u>99</u>	<u>4</u>	<u>38</u>	<u>22</u>	<u>130</u>	<u>139</u>	<u>492</u>
Net book value								
At the end of the year	<u>279</u>	<u>21</u>	<u>1</u>	<u>15</u>	<u>16</u>	<u>79</u>	<u>1</u>	<u>412</u>
At the start of the year	<u>286</u>	<u>34</u>	<u>1</u>	<u>11</u>	<u>29</u>	<u>83</u>	<u>15</u>	<u>459</u>

The Society purchased 3 Abbey Court, Fraser Road, Priory Business Park, Bedford MK44 3WH on 17 March 2008 for £339,000. The building has been acquired on a leasehold of 125 years. The land is on a peppercorn lease from Bedford Council for 125 years, and is not depreciated.

The National Amateur Radio Centre at Bletchley Park was opened in July 2012. The land is on a peppercorn lease from the Bletchley Park Trust for 25 years and is not depreciated.

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For the year ended 31 December 2016

8. Investments

On 20 December 2016, the Society invested £250,000 in funds held by Funds Network. These are shown at fair value at year end.

9. Stock

	2016 £'000	2015 £'000
Consumable stock	2	1
Goods held for resale	62	66
	<u>64</u>	<u>67</u>

Inventories recognised in cost of sales during the year as an expense was £99,160 (2015: £98,747).

10. Debtors

	2016 £'000	2015 £'000
Trade debtors	26	26
Prepayments and accrued income	82	41
Other debtors	-	-
Provision for doubtful debts	(6)	(6)
	<u>102</u>	<u>61</u>

11. Creditors : amounts due within one year

	2016 £'000	2015 £'000
Trade creditors	61	51
Taxation and social security	13	14
Other creditors	20	15
Subscriptions in advance	320	328
Grants payable	-	10
Accruals	113	123
	<u>527</u>	<u>541</u>

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12. Unprovided deferred tax asset

	2016 £'000	2015 £'000
Difference between accumulated depreciation and capital allowances	(4)	26
Tax losses	<u>(2,519)</u>	<u>(2,513)</u>
Undiscounted, unprovided deferred tax asset	<u><u>(2,523)</u></u>	<u><u>(2,487)</u></u>

Deferred tax asset is not recognised because of the unlikelihood of utilising trading losses brought forward in the light of current trading conditions.

13. Reconciliation of movements in members' funds

	2016 £'000	2015 £'000
Members' funds at the start of the year	1,221	1,174
Surplus/(Deficit) for the period on income and expenditure fund	37	51
Movement on Combined Legacy reserves	<u>20</u>	<u>(4)</u>
Members' funds at the end of the year	<u><u>1,278</u></u>	<u><u>1,221</u></u>

14. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charged for the period represents contributions payable by the company to the scheme and amounted to £16,951 (2015: £10,963). Outstanding contributions at the year end amounted to £1,723 (2015: £1,176). These are included in other creditors at the year end.

15. Related party disclosure

Steve Hartley is a director of the Society. He received £593 during 2016, (2015: £507), as payment for book royalties from the sales of two books published by the Society.

The Radio Communications Foundation is a registered charity, number 1100694. Steve Hartley, a Director of the Society and Marilyn Slade, an officer of the Society, are trustees of the charity.

During the year two donations totalling £2,500 (2015: £1,723) were received by the Society from the Radio Communications Foundation. £2,000 was for the Tim Peake School Contacts project and £500 for the Arkwright Trust Day held at the National Radio Centre.

Since its inception, the Society has provided the Foundation with management services at no cost.

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For the year ended 31 December 2016

16. Designated funds

Current year:	At 31 December 2015 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 December 2016 £'000
Legacy Funds	175	20	-	195
Spectrum Defence Fund	9	-	-	9
	<u>184</u>	<u>20</u>	<u>-</u>	<u>204</u>
Prior year:	At 31 December 2014 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 December 2015 £'000
Legacy Funds	179	17	(21)	175
Spectrum Defence Fund	9	-	-	9
	<u>188</u>	<u>17</u>	<u>(21)</u>	<u>184</u>

The Spectrum Defence Fund was established in December 2009 to contribute towards legal costs that would be incurred in the defence of the amateur radio spectrum. In the first instance it was agreed that the money raised would be used to meet the costs of the legal challenge of Ofcom in relation to the Power Line Adaptor issues. The Board decided in February 2010 not to proceed with any further legal challenge. It is committed to a policy of protecting radio amateurs privileges and the amateur radio spectrum and these funds will be used for this purpose.

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17. Funds held on behalf of trusts

RSGB acts as custodian for the funds below and holds the amounts below within bank accounts for each fund. These funds are repayable to the individual trusts upon demand and, as such, are not recognised as assets held by the RSGB. The movements on these funds are shown below.

Current year:	At 31 December 2015 £	Incoming resources £	Outgoing resources £	At 31 December 2016 £
The J Fraser Shepherd Prize Fund	1,693	3	-	1,696
DXpedition Fund	10,423	2,462	(2,550)	10,335
The Pilot Officer Norman Keith Adams Prize Fund	2,153	4	-	2,157
Dewitt L Jones W4BAA IOTA Legacy Fund	2,653	8	(2,661)	-
Total trust funds	16,922	2,477	(5,211)	14,188

These amounts are not included in the balance sheet of RSGB at the year end.

The Dewitt L Jones W4BAA IOTA Legacy Fund was closed on 2 September 2016 at the request of the trustees and the amount of £2,661.43 held there was transferred to Islands on the Air (IOTA) Ltd for the benefit of its supporters' section, Friends of IOTA.

Prior year:	At 31 December 2014 £	Incoming resources £	Outgoing resources £	At 31 December 2015 £
The J Fraser Shepherd Prize Fund	1,177	516	-	1,693
DXpedition Fund	9,333	2,836	(1,746)	10,423
The Pilot Officer Norman Keith Adams Prize Fund	1,400	753	-	2,153
Dewitt L Jones W4BAA IOTA Legacy Fund	2,651	7	(5)	2,653
Total trust funds	14,561	4,112	(1,751)	16,922