

Company number: 00216431

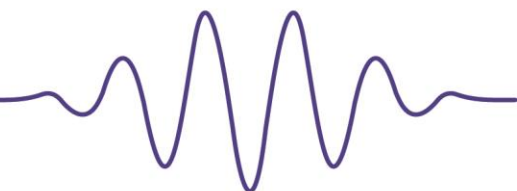
Radio Society of Great Britain

**Report and financial statements
For the year ended 31 December 2019**

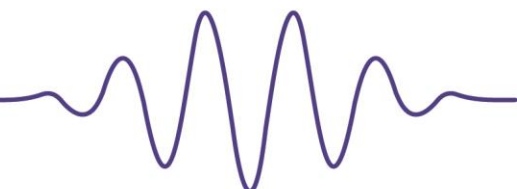
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Company number	00216431	
Registered office and operational address	3 Abbey Court Fraser Road, Priory Business Park BEDFORD, MK44 3WH	
Country of registration	England & Wales	
President	Dave Wilson	M0OBW
Chairman	Ian Shepherd	G4EVK
Treasurer	Richard Horton FCA	G4AOJ
Company Secretary	Stephen Purser	GW4SHF
Audit Committee	Stewart Bryant	G3YSX
	Mike Bruce	M0ITI
	Richard Horton FCA	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	



Annual Directors' Report 2019

1. Introduction and overview

This report provides an overview of the finance and governance of the Society during 2019.

This was a busy year as the RSGB continued work to ensure members enjoy their interest in wireless communications to the full. The staff remains similar to 2018 at just ten full-time and six part-time staff at the end of 2019. The staff members provide a wide range of services to approximately 21,000 Members and 500 affiliated societies aided by 850 volunteers. We offer membership, publishing, sales of books and merchandise, exams, insurance, licensing services and advice to many thousands of amateur radio enthusiasts. The Board pays tribute to the volunteers and staff who continue to work tirelessly to ensure that services are supported and improved.

Three directors joined the Board at the AGM in April. There were three resignations during the year and two co-opted Directors were appointed.

Strategy 2022

The strategy derived by the Volunteer Leadership Team in 2017 continued to evolve and to steer our progress. The RSGB's purpose, values, aims and priorities are presented in the Strategy 2022 to guide the whole of the RSGB. Editorials have been published in RadCom outlining some key objectives and updating Members on the projects and priorities. The three VLT meetings in 2019 focused on different strategic objectives as team-building exercises. The March meeting focused on spectrum protection outlining changes in the Operational Advisory Service and the EMC committee objectives. It also considered the role of the Regional Team as the point of contact for local members with the VLT. The July meeting outlined the proposed organisational changes and addressed the changes needed to foster the future and growth of the Society, including Member retention. The November meeting arranged the VLT into five teams – Innovation, Learning, Operating, Representation and Support – to propose projects that would implement the strategic objectives.

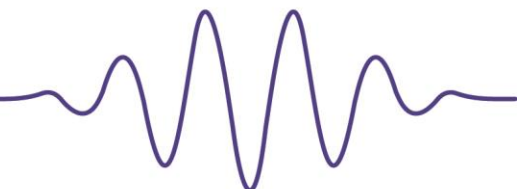
The interests of the UK amateur radio community continue to be represented strongly by the RSGB, including regular meetings with Ofcom and standards bodies. RSGB volunteers were also present at over 50 amateur radio rallies and events throughout the UK and internationally at Friedrichshafen and Dayton.

Youth

The youth team was relaunched and during 2019 included 20 young people spread across the UK.

The RSGB supported a UK delegation of three young people to take part in the Youngsters on the Air (YOTA) 2019 summer camp hosted by the Bulgarian Federation of Radio Amateurs (BFRA) in August. It also sponsored a team of five to participate in the YOTA Winter camp in the Netherlands during December 2019.

The UK won a Bronze award for the most contacts in YOTA month in December 2019, which is an international initiative for getting young people on the air. Although the award is a fantastic achievement, the real winner was the number of new young people that got a first experience of amateur radio. A number of notable stations took part, not least the National Radio Centre and the Royal Signals ARS. Young people from over the UK made a range of contacts from Santa to warships making it one of the most successful YOTA months ever.



As the age limit for youth is under 26, the youth team included teachers, former signals officers, RF engineers and others who had a range of skills and were able to understand the needs of young people. In 2019 the team began work on resources to stimulate the interest of young people new to the hobby.

Legacy Committee

The Committee received seven applications in 2019, of which it approved funds for three. The Committee would love to be busier in considering applications for funding.

The successful bids from 2019 were: Wi-fi routers to enable online exams at two Affiliated Clubs who host exams on a regular basis; one Affiliated Club was helped to put on a display at a County Show showing off the amateur radio service to members of the public who had no connection with amateur radio.

The main reason for bids being unsuccessful was that they lacked sufficient detail on how the money would be spent or the proposals were out of the agreed scope for Legacy funding. Those looking to submit an application should make it clear how their bid links to the stated aims, include evidence of value for money and demonstrate how the projects will be completed successfully.

Membership

With relatively stable 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 9th year in a row; the last increase was on 1 January 2011. However, an increase is necessary in 2020.

2. Statement of the Directors' responsibilities

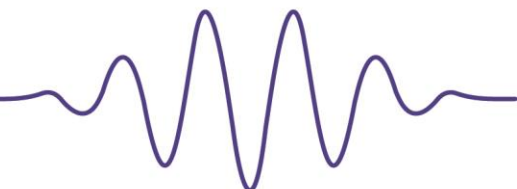
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 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:

Dave Wilson, M0OBW	Director/President (elected)	Elected 12/05/2018
Ian Shepherd, G4EVK	Elected Director	(Chairman) Elected 27/04/2019
Philip Willis, M0PHI	Nominated Director	Nominated 21/04/2018
Stewart Bryant, G3YSX	Elected Director	Retired 27/04/2019
Chris Callicott, G4DJJ	Nominated Director	Resigned 04/11/2019
Mark Jones, G0MGX	Elected Director	Resigned 16/09/2019
Simone Wilson, M0BOX	Elected Director	Resigned 19/10/2019
Mike Bruce, M0ITI	Elected Director	Elected 27/04/2019
Kamal Singh, M0IOV	Director	Coopted 15/06/2019
John Rogers, M0JAV	Director	Coopted 22/10/2019

Notes:

Stephen Purser, GW4SHF resigned as Company Secretary on 11/05/2019

Len Paget, GM0ONX was appointed Company Secretary on 11/05/2019

Stewart Bryant, G3YSX was appointed as a special adviser to the Board on 12/11/2019

3. Governance

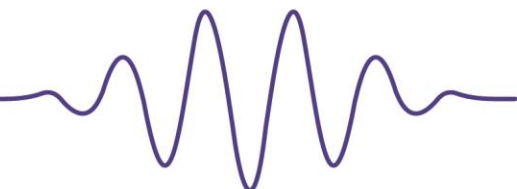
The Board met twelve times in 2019, of which two meetings, in July and December, were held by teleconference. Proceedings of those meetings have been published on the RSGB website.

The Volunteer Leadership Team, comprising members of the Board, Committee Chairs, Honorary Officers, Regional Representatives and senior members of staff met three times during the year in March, July and November.

The Board reviewed and updated its risk registers (Operational and Strategic), looking at current and potential risks to the operation of the Society. Mitigating action was taken where possible.

4. Financial results

The Society reported a deficit on ordinary activities before taxation of £19,000 (2018 – a surplus of £10,000). The Society has reported reasonable operating surpluses over the past few years, and the Board decided that it would use these historic surpluses to avoid a subscription increase in 2019, even though that would result in a deficit. The result reflects an unrealised gain on the Society's investments of £34,000. Turnover, which comprises membership subscriptions and commercial income from merchandising (primarily books) and advertising amounted to £1,507,000 (2018 – £1,490,000). Operating expenses amounted to £1,567,000 (2018 – £1,491,000).



The Society received £1,000 during the year (2018 – £2,000) for the Legacy Fund. Expenditure from the Legacy Fund amounted to £1,000 (2018 – £1,000). Undisbursed Legacy Funds amounted to £183,000 at 31 December 2018 (2018 – £183,000).

The Society's investments now stand at a value of £300,335 compared to the original amount invested of £250,000 at 31 December 2016.

The Society's net assets at 31 December 2019 amounted to £1,335,000 (2018 – £1,354,000).

5. Membership recruitment and retention

At the end of the year there were 20,885 Members of the Society which is a continuation of the trend of stable Membership numbers we have enjoyed in recent years.

Our focus remains on campaigns to recruit new Members and efforts to ensure that we retain as many Members as possible. This means we continue to strive to provide high-quality Membership benefits and services to all our Members. Our Members remain our best recruiters and we thank everyone who encouraged others to join the Society in 2019.

6. Volunteers

Once again, 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. The Society has 850 volunteers listed – this represents 4% of the membership actively involved in supporting the RSGB.

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.

7. Affiliated Clubs

There is no doubt that traditionally-organised clubs of all types (not just amateur radio) are being challenged by national changes in lifestyle and the use of technology. The RSGB started to explore a 'Hub & Spoke' model to support clubs further where expensive equipment, expertise and other resources could be shared amongst a number of partner clubs.

The Regional Team, which supports and develops local initiatives, consists of 86 volunteers of which 73 are District Representatives (DRs). These DRs ensure that advice and local contact points are available for communication with the Society for both local and national matters.

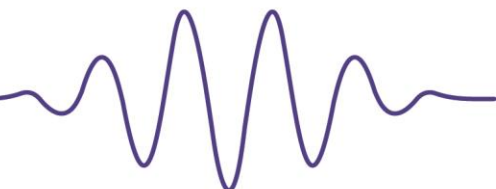
The Club of the Year (CoTY) competition was run in 2019 (for 2018 activity) with changed rules in an attempt to encourage participation. A decision on the future of the competition will be made in 2020. The Society records grateful thanks to Waters & Stanton Ltd who are the long-standing sponsor of the CoTY.

8. Representation Activities

We represent our members and the whole amateur radio community both nationally and internationally with Ofcom, IARU, CEPT, CISPR and WRC.

WRC

The World Radio conference (WRC) took place in Egypt in late 2019. The RSGB was represented and, among other activities, supported efforts to defeat a proposal for sharing some amateur allocations with non-critical aeronautical applications.



OFCOM

The RSGB met Ofcom on a number of occasions to discuss matters of mutual interest connected with spectrum, licensing, abuse and interference.

EMC

The EMC Committee (EMCC) has continued to work with Ofcom regarding measuring interference from Broadband installations. Ofcom recognises the Electromagnetic Disturbance is caused by VDSL2 but, as yet, will not take enforcement action against it. RSGB met with Ofcom and requested a letter explaining their reasoning. Our President challenged their response in a reply to the Ofcom CEO. An EMCC sub-committee has since been formed "Action against RFI" which is preparing plans for action to be taken to prevent this rise in background levels impacting all radiocommunication services.

The RSGB has been representing the Amateur Service on standards working groups developing emission standards (CISPR and CEPT). This work is essential to protect the spectrum from the ever-increasing background noise from electronic equipment and to set levels which protect the spectrum use for wireless communication.

IARU

Early 2019 saw the IARU Region-1 interim meeting in Vienna held over the 27-28 April weekend. Although short, this saw intense work on EMC and VHF/UHF/Microwave issues as the RSGB had made a significant number of inputs. The autumn saw an extended effort as part of the WRC-19 UK team, as well as ongoing support to IARU in CEPT 23cm studies. The WRC-19 outcome was generally very positive for amateur radio including significant successes for 50MHz and most microwave/mmWave bands. Our volunteers continue to support IARU as it starts on preparations for the WRC-23

9. HQ management

The relatively small number of Headquarters staff continues to provide a first-class service with every department delivering a high standard of service to our Members. Financial management and customer service are managed carefully to ensure the best balance of cost and value.

There has been an increased focus on communication, improving the effective reach and visibility of the work of the Society. The National Radio Centre has also benefited from additional resources and funding, which has resulted vastly increased visitor numbers.

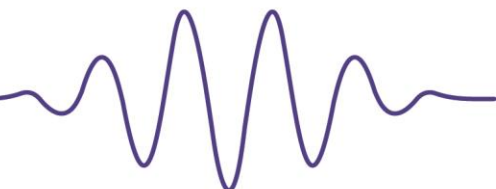
The Board would like to record its thanks to the Society's dedicated team at Abbey Court in Bedford.

10. Communications

In 2019 we delivered consistent communications across our various channels, including the RSGB website, social media, video, in RadCom, newsletters and briefings. Support has been given to volunteers to ensure effective communication of their messages across appropriate channels.

Our social media presence and interaction continues to increase: over 4,300 people like our Facebook page; 10,000 follow us on Twitter; over 2,000 people subscribe to our YouTube channel and our 120 videos were watched over 53,000 times during the year.

With HQ limited resources, there is always more work to be done to support the Society's strategic goals and priorities. There are current areas needing further development, as well as new initiatives to be implemented. This will carry on throughout 2020 under the professional guidance of the RSGB's Communications Manager.



11. Publications

RadCom continues to be seen as one of the best amateur radio publications in the world and receives considerable positive feedback. RadCom Plus is targeted at those who aspire to a more in-depth technical treatment of amateur radio, with RadCom Basics aimed at the less experienced and those who want to try something different.

The RSGB continues to offer over 150 active amateur radio titles through its bookshop and published 15 new book titles in 2019 along with a number of CDs and DVDs. This number is significantly up on 2018, which was a low year. This included a new range of training books to support the new exam syllabus that came into operation in September. The shortage of new titles continues to constrain overall sales, although broadly the new books launched in 2019 met with good success. More of our new titles, including three of our four training books, were also published in Kindle format which added to the titles we have already published in this format. Sales of e-publications remain very small but do allow us to reach markets we may not have otherwise accessed. The small net income made on Kindle sales means this sector is not likely to become a significant area of income for the Society.

12. Licence examinations

RSGB HQ administered exams for 3,054 candidates. Throughout 2019 the demand for exams was significantly skewed by an increased number of candidates seeking to take their examinations before the implementation of the new syllabus in September.

It has become clear, however, with the number of candidates taking and passing the Foundation level exam under the new syllabus that the pass rate has not significantly changed from the old syllabus. This is in line with expectations.

Following the implementation of syllabus 2019 in September there is not yet enough data to indicate any long-term effect on pass levels. It is our expectation that, in the longer term, the proportion of students passing the Full exam may increase, due to the smoother level progression from Intermediate to Full as requested by Ofcom.

Reviews are about to commence of the examinations process, including the provision of exams, assessment methods and options for delivery and how these are to be best provisioned.

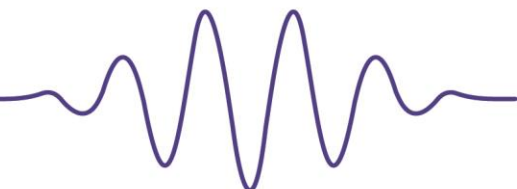
The Board extends its thanks to the Examinations Standards Committee (ESC) and also the Examinations and Syllabus Review Group (ESRG) for their care and diligence in the preparation of the new syllabus. Additional thanks are due to the support from our community of tutors and clubs who continue their vital services supporting the development of amateur radio.

13. National Radio Centre (NRC)

The NRC continues to showcase radio communication at Bletchley Park. Increased focus, resources and funding during 2019 resulted in 97,039 people seeing amateur radio in action – quadrupling the number of visitors during the last two years. Continued maintenance work was undertaken to ensure its on-going success and new radio equipment installed to enable demonstrations of the latest in amateur radio communication techniques. Operating the NRC would not be possible without our extremely dedicated team of volunteers.

14. Annual Convention

The 2019 RSGB Convention was again a very successful event with a wide range of topics catering for all skill levels. We are grateful for the continued sponsorship from Martin Lynch & Sons. The annual AMSAT-UK Colloquium was once more co-located with the RSGB Convention and proved highly successful from both the AMSAT and RSGB perspectives. More presentations



have been made available both on a 'Members only' basis and to all via our YouTube channel and these have attracted a large number of views. The next RSGB Convention is planned for 9-11 October 2020.

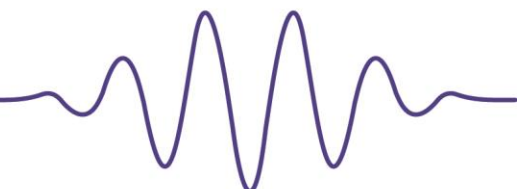
15. Auditor

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 13 March 2020 and signed on their behalf by:

Ian Shepherd, G4EVK
Board Chairman
March 2020



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 2019, which comprise the Statement of comprehensive income and statement of financial position, 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 2019 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.

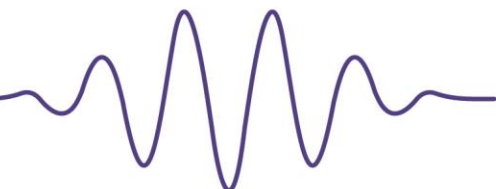
Conclusions relating to going concern

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 directors' 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, 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual report 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' annual 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' annual report and from the requirement to prepare a strategic report.

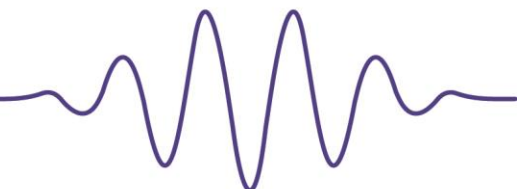
Responsibilities of directors

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.

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

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. 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.

Use of our report

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

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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 2019

		Legacy/ Spectrum Funds £'000	2019 Total £'000	Legacy/ Spectrum Funds £'000	2018 Total £'000
	Note	Operations £'000	Operations £'000	Operations £'000	Operations £'000
Turnover	2	1,507	1	1,508	1,490
Cost of sales		(127)	–	(127)	(100)
Gross surplus		1,380	1	1,381	1,390
Sales and distribution expenses		(157)	–	(157)	(165)
Other operating expenses		(1,283)	(1)	(1,284)	(1,226)
Operating deficit		(60)	–	(60)	(1)
Profit on disposal of fixed assets		–	–	–	14
Unrealised net gains/(losses) on investment		34	–	34	(9)
Interest receivable & similar income		7	–	7	6
(Deficit)/Surplus on ordinary activities before taxation	4	(19)	–	(19)	10
Taxation	6	(1)	–	(1)	(1)
Retained (deficit)/surplus for the financial year		(20)	–	(20)	9
Accumulated surplus at the start of the year		1,162	192	1,354	1,153
Accumulated surplus at the end of the year		1,142	192	1,334	1,162

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

Statement of financial position

As at 31 December 2019

	Note	£'000	2019 £'000	2018 £'000
Tangible fixed assets:				
Property, plant and equipment	7		386	420
Investments	8		<u>300</u>	<u>266</u>
			686	686
Current assets				
Inventories	9	48		56
Debtors	10	78		87
Cash at bank and in hand		697		717
Short Term Deposits		<u>292</u>		<u>287</u>
		1,115		1,147
Creditors: amounts due within one year	11	<u>467</u>		<u>479</u>
Net current assets			<u>648</u>	<u>668</u>
Net assets			<u><u>1,334</u></u>	<u><u>1,354</u></u>
Capital and reserves				
Income and expenditure account			1,092	1,146
Fair Value Reserve – Investments			50	16
Combined Legacy reserves	16		183	183
Spectrum Defence Fund reserve	16		<u>9</u>	<u>9</u>
Total funds	13		<u><u>1,334</u></u>	<u><u>1,354</u></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 13 March 2020 and signed on their behalf by

Ian Shepherd G4EVK
Chairman

Dave Wilson M00BW
President

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 estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. The estimated selling price less costs to complete and sell 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.

Notes to the financial statements

For the year ended 31 December 2019

2. Turnover

	2019	2018
	£'000	£'000
Subscription income	864	878
RadCom advertising income	194	196
Book sales	291	270
Other income (note 3)	158	146
	<u>1,507</u>	<u>1,490</u>

3. Other income

	2019	2018
	£'000	£'000
Foundation licence exams	45	44
Intermediate licence exams	25	24
Full licence exams	25	18
3rd Party Book Production	13	10
Commercial Sponsorship	4	3
Sundry income	4	7
Rallies and exhibition fees	42	40
	<u>158</u>	<u>146</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):

	2019	2018
	£'000	£'000
Depreciation on owned assets	48	32
Unrealised investment (gains)/losses	(34)	9
Interest receivable	(7)	(6)
Board reimbursed expenses	14	16
Regional & Committee reimbursed expenses	31	22
Auditor's remuneration:		
▪ Audit	13	12
▪ other services	1	1
	<u>1</u>	<u>1</u>

Expenses totalling £13,752 (2018: £16,109) were reimbursed to 11 Board members (2018: 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.

Notes to the financial statements

For the year ended 31 December 2019

5. Staff costs and numbers

	2019 £'000	2018 £'000
Salaries and wages	483	458
Social security costs	44	43
Pension contributions	23	22
	<u>550</u>	<u>523</u>

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

	2019 No.	2018 No.
Headquarters staff	<u>17</u>	<u>15</u>

6. Taxation

	2019 £'000	2018 £'000
UK corporation tax	<u>1</u>	<u>1</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). There is no tax payable on trading profits for the year. Tax is due on bank interest received in the year.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2019

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	Total 2019 £'000	Total 2018 £'000
Cost									
At the start of the year	339	156	5	44	19	209	133	905	916
Additions in year	–	1	11	2	–	–	7	21	51
Disposals in the year	–	(1)	–	(2)	–	–	–	(3)	(62)
Revaluation		(7)						(7)	
At the end of the year	<u>339</u>	<u>149</u>	<u>16</u>	<u>44</u>	<u>19</u>	<u>209</u>	<u>140</u>	<u>916</u>	<u>905</u>
Depreciation									
At the start of the year	73	101	5	30	5	138	133	485	515
Charge for the year	7	24	1	5	6	4	1	48	32
Disposals in year	–	(1)	–	(2)	–	–	–	(3)	(62)
At the end of the year	<u>80</u>	<u>124</u>	<u>6</u>	<u>33</u>	<u>11</u>	<u>142</u>	<u>134</u>	<u>530</u>	<u>485</u>
Net book value									
At the end of the year	<u>259</u>	<u>25</u>	<u>10</u>	<u>11</u>	<u>8</u>	<u>67</u>	<u>6</u>	<u>386</u>	<u>420</u>
At the start of the year	<u>266</u>	<u>55</u>	<u>–</u>	<u>14</u>	<u>14</u>	<u>71</u>	<u>–</u>	<u>420</u>	<u>401</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 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.

Credit note agreed for computer development paid for in 2016. £7,500 credit note from TestReach for incomplete work.

Notes to the financial statements

For the year ended 31 December 2019

8. Investments	2019 £'000	2018 £'000
Unrealised opening Balance	266	274
Unrealised gain /(loss)	34	(8)
Unrealised closing Balance	<u>300</u>	<u>266</u>

Original investment of £250,000 in December 2016 held by Funds Network

9. Stock	2019 £'000	2018 £'000
Consumable stock	–	3
Goods held for resale	45	50
Work in progress	3	3
	<u>48</u>	<u>56</u>

Inventories recognised in cost of sales during the year as an expense was £99,608 (2018: £97,765).

10. Debtors	2019 £'000	2018 £'000
Trade debtors	29	31
Prepayments and accrued income	46	52
Other debtors	5	6
Provision for doubtful debts	(2)	(2)
	<u>78</u>	<u>87</u>

11. Creditors : amounts due within one year	2019 £'000	2018 £'000
Trade creditors	82	96
Taxation and social security	13	16
Other creditors	12	10
Subscriptions in advance	298	301
Accruals	62	56
	<u>467</u>	<u>479</u>

Notes to the financial statements

For the year ended 31 December 2019

12. Unprovided deferred tax asset

	2019 £'000	2018 £'000
Difference between accumulated depreciation and capital allowances	5	(16)
Tax losses	<u>(2,443)</u>	<u>(2,515)</u>
Net differences	<u>(2,438)</u>	<u>(2,531)</u>
Undiscounted, unprovided deferred tax asset @ 19%	<u><u>(463)</u></u>	<u><u>(481)</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

	2019 £'000	2018 £'000
Members' funds at the start of the year	1,354	1,344
Surplus/(Deficit) for the period on income and expenditure fund	(20)	9
Movement on Combined Legacy reserves	<u>-</u>	<u>1</u>
Members' funds at the end of the year	<u><u>1,334</u></u>	<u><u>1,354</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 £23,348.32 (2018: £21,923). Outstanding contributions at the year end amounted to £3,244.67 (2018 £2,995). These are included in other creditors at the year end.

15. Related party disclosure

The Radio Communications Foundation is a registered charity, number 1100694. Jackie Tite the Society's Financial Controller, is a trustee of the charity.

During the year one donation of £0 (2018: £266) were received by the Society from the Radio Communications Foundation 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.

16. Designated funds

Current year:	At 31 December 2018 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 December 2019 £'000
Legacy Funds	183	1	(1)	183
Spectrum Defence Fund	9	–	–	9
	<u>192</u>	<u>1</u>	<u>(1)</u>	<u>192</u>
Prior year:	At 31 December 2017 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 December 2018 £'000
Legacy Funds	182	2	(1)	183
Spectrum Defence Fund	9	–	–	9
	<u>191</u>	<u>2</u>	<u>(1)</u>	<u>192</u>

The Legacy Fund was established in 2011 to isolate bequests from operating income. At 31 December 2019 the balance of this fund was £182,777.49.

It is the policy of the Society that all capital and income from legacies and major donations will be directed into areas of amateur radio which are practicable and which the RSGB might otherwise be unable to offer or accomplish.

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.

Notes to the financial statements

For the year ended 31 December 2019

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 2018 £	Incoming resources £	Outgoing resources £	At 31 December 2019 £
The J Fraser Shepherd Prize Fund	1,699	3	–	1,702
DXpedition Fund	12,688	3,830	(3,574)	12,944
The Pilot Officer Norman Keith Adams Prize Fund	2,127	4	–	2,131
Total trust funds	16,514	3,837	(3,574)	16,777

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

Prior year:	At 31 December 2017 £	Incoming resources £	Outgoing resources £	At 31 December 2018 £
The J Fraser Shepherd Prize Fund	1,697	2	–	1,699
DXpedition Fund	12,154	3,734	(3,200)	12,688
The Pilot Officer Norman Keith Adams Prize Fund	2,125	2	–	2,127
Total trust funds	15,976	3,738	(3,200)	16,514