

**Radio Society of Great Britain (A company limited
by guarantee)**

**Directors' report and financial
statements**

Registered number 216431

Year ended 30 June 2001



A24
COMPANIES HOUSE

AFG22684

0366
21/12/01

Contents

Report of the Directors	1
Statement of the Directors' responsibilities	5
Report of the auditors to the members of the Radio Society of Great Britain (A company limited by guarantee)	6
Income and expenditure account	7
Balance sheet	8
Notes	9

Report of the Board

for the year ended 30 June 2001

The Board of the Radio Society of Great Britain ("the Society") presents its Annual Report and the audited financial statements for the year ended 30 June 2001.

Principal activities

The principal activities of the Society are to provide services to members who are radio amateurs, short wave listeners or others with interests in radio communication. The Society represents the interests of UK licensed radio amateurs to the regulatory authority in the UK, the Radiocommunications Agency (RA) and via the IARU to other international bodies.

Review of the year

The new structure and governance for the Society was agreed by a poll of the Membership and ratified at the AGM in December 2000. The Board has been operating successfully with the new structure since January 2001.

In parallel the reorganisation of the Regional organisation has been largely completed. Board member Peter Sheppard had already completed a major part of the reorganisation before his unfortunate accident. The Society wishes him a speedy recovery.

The Society has consulted the Membership in order to plan a new approach to the licensing of radio amateurs and the examination process. This new approach, announced at the end of September, will be implemented progressively from late 2001.

It has not proved possible to implement the RAE "on demand" proposals due to a change in policy within City and Guilds. It is, however, expected that the new Foundation licence will represent the start of a radical change in the way the radio amateurs' examination process operates.

The Society has received and equipped the demonstration vehicle donated by the Radio Communications Agency. This vehicle is to be an integral part of the Society's promotion of amateur radio to schools and the general public.

The membership of the Society on 30 June 2001 was 25,329 compared with 25,640 at the start of the year.

The Society has extended the number of locations offering "Morse Camps" to include Northern Ireland as well as Harrogate and Headquarters. Over 200 candidates have been successful in gaining their 5 wpm qualification through these weekends. By 30 June 2001 696 licensed amateurs had obtained the M5 licence.

A Special Advisory Group of the President met to consider the future trends in amateur radio technologies, operating environment and relationship with society at large. These deliberations are part of an on-going process to reshape the Society to meet the demands of the future.

The Society is alert to the implications for amateur radio arising from the Treasury studies on spectrum pricing and has made its own contribution to the studies currently being undertaken.

The Society continues to monitor the EMC threats of Power Line Telecommunications and xDSL systems being trialed in the near future. The Society exercises its influence by being directly represented on a number of the key UK and European policy committees.

RadCom continues to be recognised as the premier amateur radio magazine in the UK with a circulation of 26,000. The Society ceased production of Radio Today in October 2000.

Report of the Board *(continued)*

Financial report

The operating result for the year after non-recurring items and interest income, was a surplus of £2,901 compared with a surplus of £12,432 in the prior year. A decline in subscription income and a reduction in advertising income from the amateur radio suppliers were mainly responsible. There were gains in income resulting from the supply of ancillary services and the closure of the Radio Today journal. Improved book sales compared with the prior year, and a reduction in servicing costs resulting from the outsourcing of book distribution produced an increased contribution from this activity. Expenses were tightly controlled during the year, though there were inflationary costs to absorb.

The Society always plans for a break-even position which, despite budget contingencies, can be affected by non-recurring items. For the year to 30 June 2002, this objective continues.

Outlook

With the announcement of the Foundation licence, the upgrade of Novice privileges and the planned launch of a strong promotional programme for amateur radio, the Society is well placed to build the next generation of radio amateurs. Working with local clubs and other bodies, and especially the teaching profession, the Society will promote amateur radio both as an absorbing and vibrant hobby but also as a viable route into a career in the telecommunications industry. The new regional organisation is a key part of this process. A new committee, the Amateur Radio Development Committee, has been formed which will have direct Board representation further emphasising that the development of amateur radio is at the centre of the Society's strategy.

Raising the level of public awareness of the many facets of amateur radio including our contribution to our communities will be a key part of the publicity programme. 2002, being the Golden Jubilee of the Queen's accession to the throne, will provide opportunities for all radio amateurs to publicise our activities. The Society intends to support clubs who wish to organise public demonstrations and the demonstration vehicle will be available for this purpose. Initiatives taken by clubs in furthering the Society's objectives will continue to be highlighted in RadCom.

Through RadCom the Society intends to provide an opportunity for radio amateurs to describe their technical innovations to the widest audience. Amateur radio provides an excellent environment to undertake technical experimentation since it is not highly regulated and many new lines of research are continually being opened up with new technology. It is intended to increase the use of electronic mail for Society communications both inter-committee and also to members in general. Integration of the Society's website as an extension of RadCom is also envisaged.

It is expected that government policy will start to be of increasing concern to UK radio amateurs over the next year. Our excellent relationship with the Radiocommunications Agency is of great value in this context. It is expected that the pressure on our frequency allocations will continue to increase, especially in the microwave area. The Society is viewed as an impartial and expert member of the relevant UK and European committees and is therefore well positioned to influence the debate on regulations. As pressures build in the telecommunications industry and government for adoption of broadband technologies such as PLT and VDSL technologies, the Society continues to argue for relevant technical standards to protect users of the radio spectrum.

With the advent of the IARU Region 1 meeting in 2002 and WRC in 2003 a start has already been made on background policy papers.

To meet these goals a secure financial base for the Society is essential and the board will continue to keep all aspects of the Society's commercial activities under close review.

The Society undertook a general survey of members' interests in July 2001 that will help greatly in shaping the Society to meet the needs of the membership.

Report of the Board *(continued)*

Council and Zonal members from 1 July 2000 to 31 December 2000

President	DF Beattie	G3BJ
Treasurer	K Ashcroft	G3MSW

Ordinary Members of the Council

GL Adams	G3LEQ
RH Biddulph	M0CGN
GW Dover	G4AFJ
R Horton	G3XWH
RM Page-Jones	G3JWI
RC Whelan	G3PJT

Zonal Members of the Council

Zone A: PR Sheppard	G4EJP
Zone B: JF Layton	G4AAL
Zone C: FC Handscombe	G4BWP (co-opted)
Zone D: DW McQue	G4NJU
Zone E: EP Essery	GW3KFE
Zone F: JD Smith	M10AEX
Zone G: TWG Menzies	GM1GEQ

FC Handscombe	G4BWP (stood down 31 December 2000)
EP Essery	GW3KFE (retired 31 December 2000)

Board and Regional Council members from 1 January 2001 to 30 June 2001

President	DF Beattie	G3BJ
Hon. Treasurer	K Ashcroft	G3MSW

Board of Directors

GL Adams	G3LEQ	
RH Biddulph	M0CGN	
GW Dover	G4AFJ	
R Horton	G3XWH	
RM Page-Jones	G3JWI	
RC Whelan	G3PJT	
PR Sheppard	G4EJP	(Regional Council representative)
JD Smith	M10AEX	(Regional Council representative)

Regional Council

RS Atterbury	G4NQI*	
E Cabban	GW0ETU*	
JF Layton	G4AAL	(resigned 30 May 2001)
SN Lloyd-Hughes	GW0NVN	
JH Martindale	GM4VPA*	
TWG Menzies	GM1GEQ	
RE Piper	G3MEH*	
I Rosevear	G3GKC*	

*Co-opted until 31 December 2001

Report of the Board *(continued)*

Personnel

The Society maintains a headquarters establishment of 25 salaried staff. The Society gives full and fair consideration to employment applications from disabled persons and has implemented the necessary requirements for Stakeholder pensions.

The Society is supported by a large number of unpaid volunteers who work tirelessly for the benefit of members. Their efforts are greatly appreciated.

All references to "The Board" throughout these financial statements should be considered to be equivalent to "The Directors" under the Companies Act 1985.

Political and charitable contributions

The Society made no political or charitable donations during the year (2000: £nil).

Annual General Meeting

The 75th Annual General Meeting of the Society will be held at 11.00am on 1 December 2001, at Strathclyde Fire Brigade Headquarters, Hamilton, Scotland.

Auditors

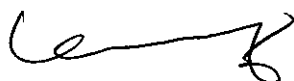
In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Lambda House
Cranborne Road
Potters Bar
Herts
EN6 3JE



Don Beattie G3BJ
President



Ken Ashcroft G3MSW
Treasurer

29th September 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable it to ensure that the financial statements comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.



Aquis Court
31 Fishpool Street
St Albans
Hertfordshire, AL3 4RF

Report of the auditors to the members of the Radio Society of Great Britain (A company limited by guarantee)

We have audited the financial statements on pages 7 to 17.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Society is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 30 June 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

(Signature)

KPMG
Chartered Accountants
Registered Auditors

22 November 2001

Income and expenditure account
for the year ended 30 June 2001

	<i>Note</i>	2001 £000	2000 £000
Gross income from all sources	3	1,515	1,573
Direct costs (cost of books and products sold)		(171)	(145)
Gross surplus		1,344	1,428
Administrative expenses:			
Sales and distribution expenses		(348)	(431)
Other operating expenses		(1,011)	(1,004)
Total expenditure		(1,356)	(1,435)
Operating deficit		(15)	(7)
Other interest receivable and similar income	6	20	21
Interest payable and similar charges	7	(2)	(2)
Surplus on ordinary activities before taxation	4	3	12
Tax on surplus on ordinary activities	8	-	-
Retained surplus for the financial year	12	3	12

All income and expenses for both years have been derived from continuing operations.

There were no recognised gains or losses other than the surplus for the year. There is no significant difference between the above and the historical cost profit.

The movement in the income and expenditure account is shown in note 12.

Balance sheet

at 30 June 2001

	Note	2001 £000	2000 £000
Fixed assets			
Tangible assets	9	544	572
Current assets			
Stocks	10	120	147
Trade debtors		59	70
Other debtors		-	16
Prepayments and accrued income		76	106
Cash at bank and in hand		353	363
		<hr/>	<hr/>
		608	702
Creditors: amounts falling due within one year			
Trade creditors		(68)	(124)
Obligations under finance leases	11	(13)	(11)
Subscriptions in advance		(348)	(371)
Accruals and deferred income		(121)	(172)
Other creditors		(35)	(29)
Other taxation and social security		(20)	(19)
		<hr/>	<hr/>
		(605)	(726)
Net current assets/(liabilities)		<hr/>	<hr/>
		3	(24)
Total assets less current liabilities		<hr/>	<hr/>
		547	548
Creditors: amounts falling due after more than one year			
Obligations under finance leases	11	(10)	(13)
		<hr/>	<hr/>
Net assets		<hr/>	<hr/>
		537	535
Capital and reserves			
Income and expenditure account	12	362	359
Restricted funds	12	3	4
Revaluation reserve	12	172	172
		<hr/>	<hr/>
Members' funds		<hr/>	<hr/>
		537	535

These financial statements were approved by the Board on 29/9/01 and signed on its behalf by:



DF Beattie BSc (Eng) CCIPD
 President



K Ashcroft FCA FCMA
 Treasurer

Notes

(forming part of the financial statements)

1 Status

The Radio Society of Great Britain is a private company limited by guarantee and does not have a share capital. Every member of the Society undertakes to contribute to the assets if it should be wound up while he is a member or within one year after he ceases to be a member for payment of the liabilities of the Society contracted before he ceases to be a member. Every member also undertakes to contribute to the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding one pound.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Society's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of land and buildings.

The Society revalued its land and buildings in the year ended 30 June 1999. The difference between the depreciation based on the historical cost and revalued amount is not material. As a result no note of historical costs profits and losses has been shown.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Fixed assets and depreciation

Depreciation of tangible fixed assets (except freehold land which is not depreciated) is calculated on the cost or revalued amount on a straight-line basis over the estimated useful lives of the assets. The annual rates used are as follows:

Freehold buildings	2%
Fixtures and fittings	10%
Furniture and equipment	20-25%
Computer hardware and purchased software	20-33%
Leased assets	over the period of the lease

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

Taxation

The 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. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes (continued)

Accounting policies (continued)

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

Pensions and post retirement benefit

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 against income represents the contributions payable to the policies in respect of the accounting period.

3 Analysis of income

	2001 £000	2000 £000
Subscription income	839	865
Radcom advertising income	186	212
Book sales	333	309
Other income	157	187
	<hr/>	<hr/>
	1,515	1,573
	<hr/>	<hr/>
	2001 £000	2000 £000
Other income comprises the following:		
Morse tests	10	14
Novice licence	10	3
Rallies and exhibition fees	42	33
Repeaters	25	25
Mailbox agreement	7	-
Special event callsigns	5	6
Newsletters	3	3
Sundry income	23	12
Radio Today	32	91
	<hr/>	<hr/>
	157	187
	<hr/>	<hr/>

Notes (continued)

4 Surplus on ordinary activities before taxation

This is stated after charging:

	2001 £000	2000 £000
Auditors' remuneration:		
Statutory audit	10	9
Other services	2	2
Depreciation:		
Owened assets	38	38
Assets held under finance leases	15	12
Hire of plant and machinery	2	11
	<hr/>	<hr/>
	2001 £000	2000 £000
Council/Board and Committee expenses:		
Council/Board expenses	14	11
Committee expenses	21	18
Other expenses	7	4
	<hr/>	<hr/>
Total Council/Board and Committee expenses	42	33
	<hr/>	<hr/>

5 Information regarding employees and directors

Directors serve in a voluntary capacity and are not remunerated for their services.

The average number of persons employed by the Society during the year was as follows:

	Number of employees	
	2001	2000
Headquarters	25	27
	<hr/>	<hr/>
The aggregate of payroll costs of these persons were as follows:		
	2001 £000	2000 £000
Wages and salaries	468	480
Social security costs	42	43
Other pension costs (see note 14)	17	19
	<hr/>	<hr/>
	527	542
	<hr/>	<hr/>

Notes (continued)

6 Other interest receivable and similar income

	2001	2000
	£000	£000
Bank deposit interest	20	21

7 Interest payable and similar charges

	2001	2000
	£000	£000
Finance charges payable in respect of finance leases and hire purchase contracts	2	2

8 Tax on surplus on ordinary activities

	2001	2000
	£000	£000
UK corporation tax	-	-

The Society is liable to corporation tax on its investment and book sales income, less attributable expenses. However due to brought forward tax losses there is no corporation tax charge for the year.

Notes (continued)

9 Tangible fixed assets

	Freehold land and buildings £000	Computer equipment £000	Fixtures and fittings £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost or valuation:						
At beginning of year	490	196	66	112	45	909
Additions	-	8	-	-	19	27
Disposals	-	(1)	-	-	(17)	(18)
At end of year	<u>490</u>	<u>203</u>	<u>66</u>	<u>112</u>	<u>47</u>	<u>918</u>
Depreciation:						
At beginning of year	9	164	41	103	20	337
Provided during the year	9	21	7	2	15	54
Disposals	-	-	-	-	(17)	(17)
At end of year	<u>18</u>	<u>185</u>	<u>48</u>	<u>105</u>	<u>18</u>	<u>374</u>
Net book value:						
30 June 2001	<u>472</u>	<u>18</u>	<u>18</u>	<u>7</u>	<u>29</u>	<u>544</u>
30 June 2000	<u>481</u>	<u>32</u>	<u>25</u>	<u>9</u>	<u>25</u>	<u>572</u>

Freehold land included above and not depreciated amounts to £207,000 (2000: £207,000).

On a historical cost basis, land and buildings would have been included as follows:

	2001 £000	2000 £000
Cost	422	422
Depreciation	(47)	(45)
Net book value	<u>375</u>	<u>377</u>

The freehold land and buildings (comprising Lambda House, Cranborne Road, Potters Bar, Hertfordshire, EN6 3JE) were professionally valued on 30 June 1999. The valuation was performed by AC Marriott, FRICS ACI Arb of Wright and Partners Chartered Surveyors. The valuation was in accordance with the RICS Statements of Asset Valuation Practice and Guidance Notes. Based upon that valuation, the Council concluded that the property should be valued at £490,000.

Of the above assets, all motor vehicles are held under finance lease.

The society has followed the guidance contained in Financial Reporting Standard 15 on transitional arrangements and has decided to retain the revalued amounts relating to land and buildings. This is subject to the impairment tests contained in Financial Reporting Standard 11.

Notes *(continued)*

10 Stocks

	2001 £000	2000 £000
Work in progress	8	13
Consumable stock	-	4
Goods held for resale	112	130
	<hr/> 120 <hr/>	<hr/> 147 <hr/>

11 Obligations under finance leases

	2001 £000	2000 £000
Gross obligations under finance leases	27	27
Less: finance charges allocated to future periods	(4)	(3)
	<hr/> 23 <hr/>	<hr/> 24 <hr/>
Due within one year	13	11
Due within the second to fifth years inclusive	10	13
	<hr/> 23 <hr/>	<hr/> 24 <hr/>

Notes *(continued)*

12 Reconciliation of movements in members' funds

	Restricted funds	Income and expenditure account	Revaluation reserve
	£000	£000	£000
Opening members' funds	4	359	172
(Reduction)/surplus for the financial year	(1)	3	-
Closing members' funds	<u>3</u>	<u>362</u>	<u>172</u>

13 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2001 Other £000	2000 Other £000
Operating leases which expire:		
Within one year	-	5
	<u>-</u>	<u>5</u>

14 Pension scheme

The charge for the year was £17,308 (2000: £18,858). There were no outstanding contributions at the year end (2000: £nil)

Restricted funds
for the year ended 30 June 2001

	2001 £	2000 £
The J Fraser Shepherd Prize Fund		
£506.62 - 3.5% War Loan Stock	200	200
Cash at Bank	733	695
	<hr/>	<hr/>
	933	895
	<hr/>	<hr/>
Accumulated Fund		
At start of year	895	953
Interest credited for the year	38	34
Prize awarded during year	-	(92)
	<hr/>	<hr/>
At end of year	933	895
	<hr/>	<hr/>
DXpedition Fund		
Cash at bank	866	1,901
	<hr/>	<hr/>
Accumulated Fund		
At start of year	1,901	2,353
Interest received for the year	45	46
Legacy	1,170	1,367
Sponsorship	(2,250)	(1,865)
	<hr/>	<hr/>
At end of year	866	1,901
	<hr/>	<hr/>
K M Bennett Legacy Fund		
Cash at bank	1,013	1,045
	<hr/>	<hr/>
Accumulated Fund		
At start of year	1,045	1,031
Interest received for the year	18	14
Prize awarded during year	(50)	-
	<hr/>	<hr/>
At end of year	1,013	1,045
	<hr/>	<hr/>
Total restricted funds	<hr/> 2,812 <hr/>	<hr/> 3,841 <hr/>

Trust funds

for the year ended 30 June 2001

	2001 £	2000 £
The Pilot Officer Norman Keith Adams Prize Fund		
£740 - 3.5% War Loan Stock	200	200
Cash at Bank	672	628
	<hr/>	<hr/>
	872	828
	<hr/>	<hr/>
Accumulated Fund		
At start of year	828	789
Interest credited for the year	44	39
	<hr/>	<hr/>
At end of year	872	828
	<hr/>	<hr/>
The Legacy Fund		
Cash at bank	11,689	13,994
	<hr/>	<hr/>
Accumulated Fund		
At start of year	13,994	14,277
Legacy received during the year	1,500	-
Interest received for the year	265	217
Sponsorship	(4,070)	(500)
	<hr/>	<hr/>
At end of year	11,689	13,994
	<hr/>	<hr/>
Total trust funds	<hr/> 12,561 <hr/>	<hr/> 14,822 <hr/>