

Company number: 00216431

Radio Society of Great Britain

Report and financial statements
For the year ended 31 December 2017



SAYER | VINCENT
● ● ● ● ● | ● ● ● ● ● ● ● ●
● ● ● ● ● | ● ● ● ● ● ● ● ●
● ● ● ● ● | ● ● ● ● ● ● ● ●

Radio Society of Great Britain

Contents

For the year ended 31 December 2017

Reference and administrative information	1
Directors' annual report	2
Independent auditor's report	9
Statement of comprehensive income.....	12
Statement of financial position	13
Notes to the financial statements	14

Radio Society of Great Britain

Reference and administrative information

For the year ended 31 December 2017

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	Graham Murchie	G4FSG
Treasurer	Richard Horton FCA	G4AOJ
Company Secretary	Stephen Purser	GW4SHF
Audit Committee	Stewart Bryant Steve Hartley Richard Horton FCA	G3YSX G0FUW 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 2017.

2017 was, once more, a busy year as the RSGB continued to improve its services to ensure members enjoy their interest in radio communications to the full. There are just 11 full-time and three part-time, very busy staff employed at RSGB HQ, where we provide a wide range of services to approximately 21,000 Members, 500 affiliated societies and 850 volunteers. We offer membership, publishing, sales, exam, insurance and 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.

Two new directors joined the Board in April and there was a change of Board Chairman.

After a full year of workshops, meetings and consulting, the Society launched its strategy – Strategy 2022 – for the next five years at the AGM in April. The strategy includes the RSGB's purpose, values, aim and priorities and is intended to be for the whole of the RSGB not just the Board and headquarters. Since the AGM the Leadership Team has been working to align existing work, projects and services to the strategy and an operational plan for 2018 has been agreed. A number of strategy editorials have been published in RadCom and on the Society website. Work to plan for new projects and services will take place during 2018 to move towards the 2022 aim and affiliated clubs are encouraged to use the strategy to help plan their local initiatives so we all work to a common aim; **Support the Strategy!**

The interests of the UK amateur radio community continue to be strongly represented by the RSGB, and include numerous meetings with Ofcom. Internationally, the President led a strong contingent of skilled volunteers to the important four-yearly IARU Region 1 meeting in Landshut, Germany. It covered the full range of amateur radio activities and two key topics were spectrum pollution and the future of amateur radio in a fast-changing world. RSGB volunteers were also present at over 50 amateur radio rallies in the UK and the international gatherings at Friedrichshafen and Dayton.

When the Youth Committee chair suggested that the Society bid to host the IARU Youngsters on the Air YOTA summer camp 2017 no-one appreciated how much work it would bring! It was a huge project bringing together nearly 90 youngsters from 26 countries for a full week of radio fun including on- and off-site activities, new experiences and new friendships. Highlights were many and varied and included an (eventually) successful contact with the International Space Station and an amazing intercultural evening. None of that would have been possible without the physical and financial support from members, affiliated clubs, equipment suppliers, the IARU and the RCF. The project came in on time and within budget and exceeded expectations. There are many videos on the RSGB website showcasing the event and the achievements of the youngsters who attended. The 2018 event is set to take place in South Africa and we wish the SARL well in their preparations.

During the year the Board set up an Innovations Working Group to look ahead for amateur

radio. A number of ideas from the philosophical to the practical are being explored. A toolkit to assist in the planning and management of projects for the RSGB has also been soft launched.

Following a review, the Board has updated its policy on Legacies and Donations. The Legacy Sub-Committee of the Board has become a free-standing Committee. It has five members and new terms of reference. Detailed guidance has been published for those wishing to apply for legacy funding.

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 7th year in a row; the last increase was on 1 January 2011. However, we cannot rule out a change in 2019 – the economic outlook is far from certain.

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.

Radio Society of Great Britain

Directors' annual report

For the year ended 31 December 2017

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
Nick Henwood G3RWF	President (elected)	
Sara McGarvey 2I0SSW	Elected Director	From 22/4/2017 to 4/12/2017
Philip Willis M0PHI	Co-opted Director	From 13/5/2017
Len Paget GM0ONX	Elected Director	
Steve Hartley G0FUW	Director	Elected Director until 22/4/2017 Co-opted Director from 22/4/2017
Alan Messenger G0TLK	Elected Director	
Stewart Bryant G3YSX	Elected Director	
Graham Murchie G4FSG	Nominated Director	
Ian Shepherd G4EVK	Nominated Director	

3. Governance

The Board met 11 times in 2017. 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. The next full review is planned for February 2018.

A review, led by the President, has been looking at improved ways of the Leadership Team and Regional Managers working together to improve communications and provide better linkage to the wider membership. It is hoped to conclude this review before the 2018 AGM in April.

4. Financial results

The Society reported a surplus on ordinary activities before taxation of £67,000 (2016 – £57,000). The 2017 figure reflects expenditure from the Legacy Funds of £13,000 (2016 – net income of £20,000) and the net cost of the YOTA event of £8,000 (2016 – nil). Adjusted for these items the underlying operating surplus was £88,000 (2016 – £37,000).

The result for the year reflects a significant contribution of £25,000 from the Society's investment portfolio. As reported last year the Board invested £250,000 in a low risk portfolio just prior to the end of 2016. The objective was to obtain a higher return than is currently available from cash deposits, without taking significant risk. The valuation at 31 December 2017 was £275,000. Investment income (wholly from cash deposits) for 2017 was £5,000. The Board will continue to review its investment policy, balancing returns against risk. Members will appreciate that the higher returns make it easier to avoid increases in subscription rates.

Turnover, which comprises membership subscriptions and commercial income from merchandising (primarily books) and advertising amounted to £1,527,000 (2016 – £1,482,000). Operating expenses amounted to £1,376,000 (2016 – £1,351,000).

The Society did not receive any legacies during the year. Expenditure from the Legacy Fund amounted to £13,000 (2016 – £1,000). Undisbursed Legacy Funds amounted to £182,000 at 31 December 2017 (2016 – £195,000).

The Society's net assets at 31 December 2017 amounted to £1,344,000 (2016 – £1,278,000).

5. Membership recruitment and retention

At the end of the year there were 20,922 members of the Society which is a continuation of the trend of relatively 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 2017.

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

The Society has undertaken work in 2017 to identify innovation and good practice in clubs and groups. Many continue to provide an excellent service, such as providing licence training and as examination centres. They also bring like-minded enthusiasts together socially. However, there is no doubt that traditionally-organised clubs of all types (not just amateur radio) are being challenged by national changes in life style and the use of technology.

In response, new approaches are emerging which are proving effective in drawing newcomers to the amateur radio service. They include the "club of clubs" approach (in which an area-based group mounts an event to attract a wide audience with a focus on innovation and targeted activities), "virtual" clubs (which are largely web-based) and the "Maker" movement. There are many others and it is important also to note successful innovation within flourishing and long-established clubs.

Following successful discussion of some of these issues at the 2017 Convention a website presence is being created so that clubs can share experiences and pass on knowledge. This approach will also be valuable to the regional teams in their continuing support of affiliated clubs.

The Club of the Year Competition continues to be a successful event, identifying some great successes across the whole UK. We are very grateful to Waters & Stanton for their continued sponsorship.

8. HQ management

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

9. Communications

In 2017 we continued to develop our communications. We created a large number of vlogs and videos for YOTA 2017 as well as releasing more presentations from the 2016 RSGB convention. By the end of the year our YouTube channel had nearly 70 videos, over 1,100 subscribers and had received over 161,500 views. We received requests from a number of other countries to use our videos to promote amateur radio, including subtitling them into other languages.

YOTA 2017 provided a great opportunity to talk about amateur radio in the general media as well as the amateur radio press. Our potential reach through coverage in 12 media outlets including

BBC Radio was 4,642,108 people and, in addition, we reached 433,200 people online with a combination of 48 Facebook posts and 64 tweets during the week itself.

We provided quarterly briefings for our Regional Team to use at club presentations and sent monthly eNewsletters to every affiliated club. Committees were encouraged to share news of their activities across our various communication channels and we made a number of updates to our website.

There is always more work to be done, new ideas to be implemented and areas to be developed. This will carry on throughout 2018 under the professional guidance of the RSGB's Communications Manager.

10. Publications

RadCom continues to be seen as one of the best amateur radio publications in the world and receives considerable positive feedback. RadCom Plus, which is targeted at those who aspire to a more in-depth technical treatment of amateur radio, was published in a new format in 2017 and attracts a significant readership.

The RSGB currently offers around 150 active titles through our bookshop and published eight new book titles in 2017 along with a number of CDs and DVDs. This number is down on recent years reflecting an on-going lack of authors. The shortage of new titles continues to constrain overall sales, although the new *Software Defined Radio* book launched late in 2017 was a significant success. Three of the new titles were also published in Kindle format which added to the few titles we have already published in this format. Sales of e-publications are less than 10% of the sales of paper copies but do reach markets we may not have otherwise accessed. The small net income made on Kindle sales means this sector is not yet a significant area of income for the Society.

11. Licence examinations

Demand for exams was slightly lower than previous years. A reduced notice period and the ongoing flexibility of examination session scheduling, announced last year, has been widely welcomed. The take-up of available online examinations has steadily increased over the year, and the availability of online examinations at all three levels, from late 2017, should further increase usage. Paper-based exams will continue to be available for those who require them.

A fundamental review of the syllabus has been undertaken over the past three years, with the aims of updating and refocusing the coverage of topics and smoothing the steps between levels to encourage progression through to Full (Advanced). The draft was put out to public consultation in the spring of 2017, and a revised version, taking into account the comments received, is currently going forward for formal approval by the RSGB Board and Ofcom. It is expected that examinations based upon the revised syllabus will start in 2019. Tribute must be paid to the large number of volunteers who continuously provide the management, training and administration of the examinations.

12. National Radio Centre (NRC)

The NRC continues to showcase radio communication at Bletchley Park and once again the visitor numbers have increased with over 25,000 people seeing amateur radio in action.

An NRC Coordinator was recruited at the end of the year to manage the maintenance and exhibit improvements planned during the coming year.

13. Annual convention

The 2017 RSGB convention continues to grow in attendance with an increase in excess of 15% over the 2016 figure and its diversity of offerings; we are grateful for the continued sponsorship from Martin Lynch & Sons. The annual AMSAT-UK Colloquium was co-located with the RSGB Convention for the first time and this proved highly successful from both the AMSAT and RSGB perspective. 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

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 17 February 2018 and signed on their behalf by



Graham Murchie G4FSG
Board Chairman

Independent auditor's report

To the members of

Radio Society of Great Britain

Opinion

We have audited the financial statements of the Radio Society of Great Britain (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, 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 2017 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

Independent auditor's report

To the members of

Radio Society of Great Britain

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 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' 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
- 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

Independent auditor's report

To the members of

Radio Society of Great Britain

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 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.

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.

Jonathan Orchard (Senior statutory auditor)

27 February 2018

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 2017

	Note	Operations £'000	Legacy Funds £'000	2017 Total £'000	Operations £'000	Legacy Funds £'000	2016 Total £'000
Turnover	2	1,527	-	1,527	1,482	21	1,503
Cost of sales		(101)	-	(101)	(99)	-	(99)
Gross surplus		1,426	-	1,426	1,383	21	1,404
Sales and distribution expenses		(156)	-	(156)	(155)	-	(155)
Other operating expenses		(1,220)	(13)	(1,233)	(1,196)	(1)	(1,197)
Operating surplus		50	(13)	37	32	20	52
Profit on disposal of fixed assets		-	-	-	-	-	-
Interest receivable & similar income		30	-	30	5	-	5
Surplus on ordinary activities before taxation	4	80	(13)	67	37	20	57
Taxation	6	(1)	-	(1)	-	-	-
Retained surplus for the financial year		79	(13)	66	37	20	57
Other comprehensive income							
Currency translation differences		-	-	-	-	-	-
Total comprehensive income		79	(13)	66	37	20	57
Accumulated surplus at the start of the year		1,074	204	1,278	1,037	184	1,221
Accumulated surplus at the end of the year		1,153	191	1,344	1,074	204	1,278

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

Company number: 00216431

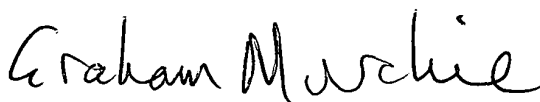
Statement of financial position

As at 31 December 2017

	Note	£'000	2017 £'000	2016 £'000
Tangible fixed assets:				
Property, plant and equipment	7		402	412
Investments	8		<u>275</u>	<u>250</u>
			677	662
Current assets				
Inventories	9	55		64
Debtors	10	75		102
Cash at bank and in hand		<u>1,034</u>		<u>977</u>
		1,164		1,143
Creditors: amounts due within one year	11	<u>497</u>		<u>527</u>
Net current assets			<u>667</u>	<u>616</u>
Net assets			<u>1,344</u>	<u>1,278</u>
Capital and reserves				
Income and expenditure account			1,153	1,074
Combined Legacy reserves	16		<u>182</u>	<u>195</u>
Spectrum Defence Fund reserve	16		<u>9</u>	<u>9</u>
Total funds	13		<u>1,344</u>	<u>1,278</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 17 February 2018 and signed on their behalf by



Graham Murchie G4FSG
Chairman



Nick Henwood G3RWF
President

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

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.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

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 2017

2. Turnover

	2017 £'000	2016 £'000
Subscription income	880	883
RadCom advertising income	190	182
Book sales	271	277
Other income (note 3)	186	140
	<u>1,527</u>	<u>1,482</u>

3. Other income

	2017 £'000	2016 £'000
Foundation licence exams	45	50
Intermediate licence exams	21	23
Full licence exams	14	17
Youngsters on the Air (YOTA)	37	-
3rd Party Book Production	16	2
Commercial Sponsorship	4	8
Sundry income	8	4
Rallies and exhibition fees	41	36
	<u>186</u>	<u>140</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):

	2017 £'000	2016 £'000
Depreciation on owned assets	40	68
Unrealised investment gains	(25)	-
Interest receivable	(5)	(5)
Directors' remuneration	-	-
Board reimbursed expenses	17	17
Regional & Committee reimbursed expenses	28	23
Auditor's remuneration:		
▪ Audit	11	12
▪ Non-audit services	-	1
Legal expenses	-	7

Expenses totalling £17,000 (2016: £17,000) were reimbursed to 9 Board members (2016: 7) 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 2017

5. Staff costs and numbers

	2017 £'000	2016 £'000
Salaries and wages	433	439
Social security costs	41	41
Pension contributions	21	17
	<u>495</u>	<u>497</u>

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

	2017 No.	2016 No.
Headquarters staff	<u>13</u>	<u>15</u>

6. Taxation

	2017 £'000	2016 £'000
UK corporation tax	<u>1</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). 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 2017

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	120	5	53	38	209	140	904
Additions in year	-	23	-	7	-	-	-	30
Disposals in year	-	(11)	-	(6)	-	-	-	(17)
At the end of the year	339	132	5	54	38	209	140	917
Depreciation								
At the start of the year	60	99	4	38	22	130	139	492
Charge for the year	6	10	1	6	13	4	-	40
Disposals in year	-	(11)	-	(6)	-	-	-	(17)
At the end of the year	66	98	5	38	35	134	139	515
Net book value								
At the end of the year	273	34	-	16	3	75	1	402
At the start of the year	279	21	1	15	16	79	1	412

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.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

8. Investments

On 20 December 2016, the Society invested £250,000 in funds held by Funds Network. These are shown at fair value and at the 31 December 2017 the value of this investment was £274,606. The unrealised increase of £24,606 is recognised in the Statement of Comprehensive Income.

9. Stock

	2017 £'000	2016 £'000
Consumable stock	2	2
Goods held for resale	51	62
Work in progress	2	-
	<u>55</u>	<u>64</u>

Inventories recognised in cost of sales during the year as an expense was £97,564 (2016: £98,485).

10. Debtors

	2017 £'000	2016 £'000
Trade debtors	32	26
Prepayments and accrued income	45	82
Other debtors	-	-
Provision for doubtful debts	(2)	(6)
	<u>75</u>	<u>102</u>

11. Creditors : amounts due within one year

	2017 £'000	2016 £'000
Trade creditors	48	61
Taxation and social security	14	13
Other creditors	19	20
Subscriptions in advance	314	320
Grants payable	-	-
Accruals	102	113
	<u>497</u>	<u>527</u>

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

12. Unprovided deferred tax asset

	2017 £'000	2016 £'000
Difference between accumulated depreciation and capital allowances	(18)	(4)
Tax losses	<u>(2,519)</u>	<u>(2,519)</u>
Undiscounted, unprovided deferred tax asset	<u><u>(2,537)</u></u>	<u><u>(2,523)</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

	2017 £'000	2016 £'000
Members' funds at the start of the year	1,278	1,221
Surplus/(Deficit) for the period on income and expenditure fund	79	37
Movement on Combined Legacy reserves	<u>(13)</u>	<u>20</u>
Members' funds at the end of the year	<u><u>1,344</u></u>	<u><u>1,278</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 £21,119 (2016: £16,951). Outstanding contributions at the year end amounted to £2,451 (2016: £1,723). These are included in other creditors at the year end.

15. Related party disclosure

Steve Hartley is a director of the Society. He received £556 during 2017, (2016: £593), 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 £2,644 (2016: £2,500) were received by the Society from the Radio Communications Foundation. £2,000 was for YOTA 2017 and £644 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.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

16. Designated funds

Current year:	At 31 December 2016 £'000	Incoming resources £'000	Outgoing resources £'000	At 31 December 2017 £'000
Legacy Funds	195	-	(13)	182
Spectrum Defence Fund	9	-	-	9
	<u>204</u>	<u>-</u>	<u>(13)</u>	<u>191</u>
Prior 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>

The Legacy Fund was established in 2011 to isolate bequests from operating income. At 31 December 2017 the balance of this fund was £182,362.

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.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2017

17. Funds held on behalf of trusts

RSCGB 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 RSCGB. The movements on these funds are shown below.

Current year:	At 31 December 2016 £	Incoming resources £	Outgoing resources £	At 31 December 2017 £
The J Fraser Shepherd Prize Fund	1,696	1	-	1,697
DXpedition Fund	10,335	3,774	(1,955)	12,154
The Pilot Officer Norman Keith Adams Prize Fund	2,157	-	(32)	2,125
Total trust funds	14,188	3,775	(1,987)	15,976

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

Prior 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
Dewit L Jones W4BAA IOTA Legacy Fund	2,653	8	(2,661)	-
Total trust funds	16,922	2,477	(5,211)	14,188