

Company number: 00216431

Radio Society of Great Britain

Report and financial statements
For the year ended 31 December 2018



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Radio Society of Great Britain

Reference and administrative information

For the year ended 31 December 2018

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 Mike Bruce Richard Horton FCA	G3YSX M0ITI 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 2018. 2018 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. The staff complement remains similar to 2017 at just 11 full-time and 6 part-time staff at the end of 2018. Significant staff changes due to retirement and illness have been successfully managed through 2018. The staff members 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.

Three new directors joined the Board following the AGM in April. There was one resignation in August and a co-opted Director was appointed in October; Ian Shepherd, G4EVK was appointed Chairman on 21 April 2018.

Strategy 2022

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. A number of strategy editorials have been published in RadCom outlining the details of each of the eight key priorities and updating Members on the projects and priorities for each. The previous 'Leadership Team' has been developed into a more inclusive and strategically-focused 'Volunteer Leadership Team' or VLT. Each VLT meeting works upon a key activity thread linked to one or more strategic priorities. The first, Examinations, outlined plans for the introduction of a new syllabus in 2019 and how best support may be given to clubs and candidates to prepare for the change. The value of readily available and easy accessible information to our Members and clubs was recognised at the second meeting where the VLT considered the topics needed and their priorities – this work continues into 2019.

The interests of the UK amateur radio community continue to be strongly represented by the RSGB, and include regular meetings with Ofcom. In addition, our experts attend influential international events, notably the International Amateur Radio Union where we have made a number of submissions ahead the forthcoming Vienna meeting. Further inputs are made to the European Conference of Postal and Telecommunications Administrations Conference and the World Radiocommunication Conference, this year in Egypt.

RSGB volunteers were also present at over 50 amateur radio rallies and events throughout the UK and internationally at Friedrichshafen and Dayton.

Youth

From 8 to 15 August 2018 the RSGB sent a team of four young people to attend the Youngsters on the Air (YOTA) summer camp in South Africa. The team took part in a week's worth of exciting

activities including: Balloon Carrying Amateur Radio (BACAR), construction projects and operating a special event station. The week took place near Johannesburg and featured 70 young people from over 20 different countries in Europe, Asia and Africa, all representing their national societies at the event.

There is an online daily blog of the team's activities and also an RSGB published video showing highlights from the week's events on our website.

The Youth Team were also involved in a number of other activities throughout the year including our first successful "Buildathon" at the National Hamfest where members of the team supervised novice constructors in a kit-building exercise.

The Innovations Working Group

The Innovations Working Group explored a number of ideas looking ahead, from the philosophical to the practical. A subgroup is currently looking at licence progression and should report to the Board shortly. Proposed work is to help identify new spectrum usage at VHF and above, plus specific innovation projects. A cable colour sensor for vision impaired radio amateurs is one such project.

Legacy Committee

The Legacy Committee receives and considers requests for funding for projects and makes recommendations to the Board. The criteria for funding are regularly reviewed to ensure equitable support to projects most closely linked to our 2022 strategic priorities. It currently has four members and a Chairman. Detailed guidance has been published for those wishing to apply for legacy funding and the application form is freely available to all Members and affiliated clubs.

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 eighth 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.

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:

Directors' annual report

For the year ended 31 December 2018

Nick Henwood, G3RWF	President (elected)	Until 21 April 2018
Graham Murchie, G4FSG	Nominated Director	Until 21 April 2018
Alan Messenger, G0TLK	Elected Director	Until 21 April 2018
Steve Hartley, G0FUW	Co-opted Director	Until 21 April 2018
Dave Wilson, M0OBW	Director/President (elected)	President from 21 April 2018
Ian Shepherd, G4EVK	Nominated Director	Chairman from 21 April 2018
Len Paget, GM0ONX	Elected Director	
Philip Willis, M0PHI	Nominated Director	Elected Director until 21 April 2018 Nominated Director from 21 April 2018
Stewart Bryant, G3YSX	Elected Director	
Keith Haynes, G3WRO	Co-opted Director	From 12 May 2018 to 17 September 2018
Mark Jones, G0MGX	Elected Director	From 21 April 2018
Simone Wilson, M0BOX	Elected Director	From 21 April 2018
Mike Bruce, M0ITI	Co-opted Director	From 12 October 2018

3. Governance

The Board met twelve times in 2018. 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. 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 2019.

4. Financial results

The Society reported a surplus on ordinary activities before taxation of £11,000 (2017 – £67,000). This operational result reflects the objective of achieving a roughly breakeven result. The decrease in 2018 reflects in part a conscious decision by the Board to maintain subscriptions at their current levels.

Turnover, which comprises Membership subscriptions and commercial income from merchandising (primarily books) and advertising amounted to £1,490,000 (2017 – £1,527,000). Cost of sales amounted to £100,000 (2017: £101,000). Other operating expenses including sales & distribution expenses amounted to £1,391,000 (2017 – £1,376,000).

The Society received £2,000 during the year from the Legacy Fund (2017 – £0). Expenditure from the Legacy Fund amounted to £1,000 (2017 – £13,000). Undisbursed Legacy Funds amounted to £183,000 at 31 December 2018 (2017 – £182,000).

The results reflect an unrealised loss of roughly £9,000 on the Society's investments. This reflects market movements, particularly during the latter part of 2018. Over the year the main London index, the FTSE 100, declined 12.5%, compared to a decline in the value of the investment portfolio of 3.0%, reflecting the low risk nature of the portfolio. The original amount invested was £250,000, and at 31 December 2018, the value was £266,000. A more up to date valuation of the Society's investment was sought before signing of the accounts; Market valuation as at 4 March 2019 was £277,000.

The Society's net assets at 31 December 2018 amounted to £1,354,000 (2017 – £1,344,000).

5. Membership recruitment and retention

At the end of the year there were 20,972 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 2018.

6. Volunteers

Once again, we should 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 them – 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 undertook work, in 2017, continuing in 2018 to identify innovation and good practice in clubs and groups. Successful innovations and best practice are shared across the regional network of volunteers. Many clubs continue to provide an excellent service, such as providing licence training and examination centres. The traditionally-organised (face-to-face meeting) clubs of all types (not just amateur radio) are being challenged by national changes in life style and the use of technology. The emergence of 'virtual' clubs and groups continues to build. Continuing discussions are in progress on the most appropriate methods to provide support and recognition of their status. We are very grateful to Waters & Stanton for their continued sponsorship of the RSGB National Club of the Year.

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 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. Significant staff changes due to retirement, recruitment and illness have been successfully managed through 2018 without significant impact on services.

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 all of our small dedicated team at Abbey Court in Bedford.

9. Communications

In 2018 we continued to develop and deliver clear, consistent communications across our various channels, including the RSGB website, social media, video, in RadCom, newsletters and briefings. Communications activity also included liaison with the media, in the form of press releases and networking. Much support has been given to volunteers to ensure effective communication of their messages across appropriate channels.

Our social media presence continues to increase with over 4,000 followers on Facebook, 9,000 on Twitter, and 1,500 on YouTube (with over 210,000 views of our videos).

With HQ limited resource, there is always more work to be done in supporting the Society to meet its purpose. There are current areas needing further development, as well as new initiatives to be implemented. This will carry on throughout 2019 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 is targeted at those who aspire to a more in-depth technical treatment of amateur radio. It was not published in 2018 due to a key member of staff being ill for much of the year. The next issue is due in March 2019.

The RSGB continues to offer over 150 active amateur radio titles through its bookshop and published nine new book titles in 2018 along with a number of CDs and DVDs. This number is slightly up on 2017 which was a very low year. This continues to reflect the on-going lack of authors. The shortage of new titles continues to constrain overall sales, although broadly the new books launched in 2018 met with moderate success. More of our new titles were also published in Kindle format that added to the few titles we have already published in this format. Sales of e-publications are less than 7% of the sales of paper copies but do allow us to reach markets we may not have otherwise accessed. The overall decline in eBook sales generally and the small net income made on Kindle sales means this sector is not likely to become a significant area of income for the Society.

11. Licence examinations

Throughout 2018 the demand for exams increased over 2017 although the overall trend from 2010 is showing a gradual decline. The take up of online exams has continued to increase but at a slower rate than expected.

The syllabus review has been completed, approved by the RSGB Board and published. Exams based on the new syllabus will commence in September 2019. From that time the existing examinations system (EMAS) will be phased out and all exams will be provided by Test Reach, which can provide both online and paper examinations.

The Board extends its thanks to the Examinations Standards Committee, the Examinations Group and the Training and Education Committee for their care and diligence in the preparation of the new syllabus.

12. National Radio Centre (NRC)

The NRC continues to showcase radio communication at Bletchley Park. Improved focus, resources and funding during 2018 resulted in 55,232 people seeing amateur radio in action – double the number of visitors in the previous year. A range of planned maintenance work was completed at the NRC to ensure its continued success and improvement plans will follow in 2019.

Operating the NRC would not be possible without our extremely dedicated team of volunteers.

13. Annual Convention

The 2018 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 again co-located with the RSGB Convention and this, once more, proved highly successful from both the AMSAT and RSGB perspective. Indeed, a live two-way link to the ISS was successfully made from the Convention. More presentations have been

Radio Society of Great Britain

Directors' annual report

For the year ended 31 December 2018

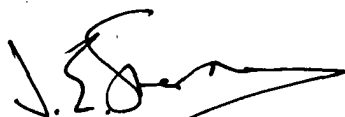
made available both on a 'Members only' basis and to all via our YouTube channel and these have attracted a large number of views. The RSGB Convention is next planned for 11/13 October 2019.

14. Auditor

Sayer Vincent LLP were re-appointed as the company's auditors for the 2018 financial 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 15 March 2019 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'I. Shepherd', with a long horizontal stroke extending to the right.

Ian Shepherd, G4EVK
Board Chairman

Independent auditor's report

To the members of

Radio Society of Great Britain

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 2018, 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 2018 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

Independent auditor's report

To the members of

Radio Society of Great Britain

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 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
- 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.

Independent auditor's report

To the members of

Radio Society of Great Britain

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

Auditor's responsibilities for the audit of the financial statements

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)

22 March 2019

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 2018

			Legacy/ Spectrum Funds £'000	2018 Total £'000	Operations £'000	Legacy/ Spectrum Funds £'000	2017 Total £'000
	Note	Operations £'000					
Turnover	2	1,490	2	1,492	1,527	-	1,527
Cost of sales		(100)	-	(100)	(101)	-	(101)
Gross surplus		1,390	2	1,392	1,426	-	1,426
Sales and distribution expenses		(165)	-	(165)	(156)	-	(156)
Other operating expenses		(1,226)	(1)	(1,227)	(1,220)	(13)	(1,233)
Operating surplus		(1)	1	-	50	(13)	37
Profit on disposal of fixed assets		14	-	14	-	-	-
Unrealised net gains/(losses) on investments		(9)	-	(9)	25		25
Interest receivable & similar income		6	-	6	5	-	5
Surplus on ordinary activities before taxation	4	10	1	11	80	(13)	67
Taxation	6	(1)	-	(1)	(1)	-	(1)
Retained surplus for the financial year		9	1	10	79	(13)	66
Accumulated surplus at the start of the year		1,153	191	1,344	1,074	204	1,278
Accumulated surplus at the end of the year		1,162	192	1,354	1,153	191	1,344

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 2018

	Note	£'000	2018 £'000	2017 £'000
Tangible fixed assets:				
Property, plant and equipment	7		420	402
Investments	8		266	275
			<u>686</u>	<u>677</u>
Current assets				
Inventories	9	56		55
Debtors	10	87		75
Cash at bank and in hand		717		748
Short Term Deposits		<u>287</u>		<u>286</u>
		1,147		1,164
Creditors: amounts due within one year	11	<u>479</u>		<u>497</u>
Net current assets			<u>668</u>	<u>667</u>
Net assets			<u>1,354</u>	<u>1,344</u>
Capital and reserves				
Income and expenditure account			1,146	1,128
Fair Value Reserve – Investments			16	25
Combined Legacy reserves	16		183	182
Spectrum Defence Fund reserve	16		<u>9</u>	<u>9</u>
Total funds	13		<u>1,354</u>	<u>1,344</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 15 March 2019 and signed on their behalf by


 Ian Shepherd G4EVK
 Chairman


 Dave Wilson M00BW
 President

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2018

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.

Radio Society of Great Britain

Notes to the financial statements

For the year ended 31 December 2018

2. Turnover

	2018 £'000	2017 £'000
Subscription income	878	880
RadCom advertising income	196	190
Book sales	270	271
Other income (note 3)	146	186
	<u>1,490</u>	<u>1,527</u>

3. Other income

	2018 £'000	2017 £'000
Foundation licence exams	44	45
Intermediate licence exams	24	21
Full licence exams	18	14
Youngsters on the Air (YOTA)	-	37
3rd Party Book Production	10	16
Commercial Sponsorship	3	4
Sundry income	7	8
Rallies and exhibition fees	40	41
	<u>146</u>	<u>186</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):

	2018 £'000	2017 £'000
Depreciation on owned assets	32	40
Unrealised investment (gains)/losses	9	(25)
Interest receivable	(6)	(5)
Board reimbursed expenses	16	17
Regional & Committee reimbursed expenses	22	28
Auditor's remuneration:		
▪ Audit	12	11
▪ other services	1	1
	<u>1</u>	<u>1</u>

Expenses totalling £16,109 (2017: £17,000) were reimbursed to 8 Board members (2017: 9) 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 2018

5. Staff costs and numbers

	2018 £'000	2017 £'000
Salaries and wages	458	433
Social security costs	43	41
Pension contributions	22	21
	<u>523</u>	<u>495</u>

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

	2018 No.	2017 No.
Headquarters staff	<u>15</u>	<u>13</u>

6. Taxation

	2018 £'000	2017 £'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.

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For the year ended 31 December 2018

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 2018 £'000	Total 2017 £'000
Cost									
At the start of the year	339	139	5	53	38	209	133	916	904
Additions in year	-	28	-	4	19	-	-	51	30
Disposals in the year	-	(11)	-	(13)	(38)	-	-	(62)	(17)
At the end of the year	339	156	5	44	19	209	133	905	917
Depreciation									
At the start of the year	66	105	5	37	35	134	133	515	492
Charge for the year	7	7	-	6	8	4	-	32	40
Disposals in year	-	(11)	-	(13)	(38)	-	-	(62)	(17)
At the end of the year	73	101	5	30	5	138	133	485	515
Net book value									
At the end of the year	266	55	-	14	14	71	-	420	402
At the start of the year	273	34	-	16	3	75	1	402	

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

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

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For the year ended 31 December 2018

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 2018 the value of this investment was £266,223. The unrealised decrease of £8,383 is recognised in the Statement of Comprehensive Income.

9. Stock

	2018 £'000	2017 £'000
Consumable stock	3	2
Goods held for resale	50	51
Work in progress	3	2
	<u>56</u>	<u>55</u>

Inventories recognised in cost of sales during the year as an expense was £97,765 (2017: £97,564).

10. Debtors

	2018 £'000	2017 £'000
Trade debtors	31	32
Prepayments and accrued income	52	45
Other debtors	6	–
Provision for doubtful debts	(2)	(2)
	<u>87</u>	<u>75</u>

11. Creditors : amounts due within one year

	2018 £'000	2017 £'000
Trade creditors	96	48
Taxation and social security	16	14
Other creditors	10	19
Subscriptions in advance	301	314
Accruals	56	102
	<u>479</u>	<u>497</u>

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For the year ended 31 December 2018

12. Unprovided deferred tax asset

	2018 £'000	2017 £'000
Difference between accumulated depreciation and capital allowances	(16)	(18)
Tax losses	<u>(2,515)</u>	<u>(2,519)</u>
Undiscounted, unprovided deferred tax asset	<u><u>(2,531)</u></u>	<u><u>(2,537)</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

	2018 £'000	2017 £'000
Members' funds at the start of the year	1,344	1,278
Surplus/(Deficit) for the period on income and expenditure fund	9	79
Movement on Combined Legacy reserves	<u>1</u>	<u>(13)</u>
Members' funds at the end of the year	<u><u>1,354</u></u>	<u><u>1,344</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 £21,923 (2017: £21,119). Outstanding contributions at the year end amounted to £2,995 (2017 £2,451). 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, an officer of the Society, is a trustee of the charity.

During the year one donation of £266 (2017: £2,644) 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.

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16. Designated funds

Current 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>
Prior 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>

The Legacy Fund was established in 2011 to isolate bequests from operating income. At 31 December 2018 the balance of this fund was £182,570.

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.

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 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	<u>15,976</u>	<u>3,738</u>	<u>(3,200)</u>	<u>16,514</u>

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

Prior year:	At 31 December 2015 £	Incoming resources £	Outgoing resources £	At 31 December 2016 £
The J Fraser Shepherd Prize Fund	1,696	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	<u>14,188</u>	<u>3,775</u>	<u>(1,987)</u>	<u>15,976</u>