

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

**Directors' report and financial  
statements**

**Registered number 216431**

**Year ended 30 June 2000**



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## **Report of the Council**

*for the year ended 30 June 2000*

The Council of the Radio Society of Great Britain ("the Society") presents its Annual Report and the audited financial statements for the year ended 30<sup>th</sup> June 2000.

### **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 Society continues to work on improved paths for newcomers to access amateur radio, with continuing discussions with the RA and the City & Guilds of London Institute (C&G) on the future direction of licensing and the RAE. The membership of the Society on June 30 2000 was 25,640, a reduction of 1,364 during the year.

Following the changes to the licensing requirements in 1999, the Society has encouraged growth in the M5 licence with a series of "Morse Camps". By June 30 2000 413 licensed amateurs had obtained the new licence. The programme continues.

Work on improving access to the Radio Amateurs Examination continues, and at June 30 2000 38 clubs had volunteered to provide satellite examination facilities.

The Society mounted a strong and successful defence against the threat of Power Line Telecommunications. A similar watch is being kept on the effects of the xDSL systems being launched by BT, which use high speed data over unscreened telephone lines.

Since the year-end the Society has decided to cease production of Radio Today. Despite the significant improvements achieved over the two and a half years of production of this newstand journal, the growth in sales achieved was not sufficient to justify the costs. Council was of the opinion that the editorial content had been significantly improved, but the distribution to the High Street had become difficult to influence, with the major high street player tightening its grip on the magazines to be placed on the shelves. The Society will retain the intellectual property in the title for possible future use.

### **Financial report**

The operating result for the year before non-recurring items, but after interest income, was a surplus of £9k. Non-recurring revenue of £3k resulted in surplus of £12k in the Statutory Accounts.

The Society always plans for a break-even position which, despite budget contingencies, can be affected by non-recurring items. For the year to June 30 2001, this is the current plan.

## **Report of the Council** *(continued)*

### **Outlook**

The Society will continue vigorously to promote Amateur Radio in the new Millennium. The coming year, subject to the approval by the Membership at the forthcoming Annual General Meeting, should see the implementation of the new regional structure with the aim of supporting the grass roots at local and club level. The positive presentation of radio amateur activity in local communities and the stimulation and support of individual amateurs in their experimentation and on the air activities, are seen as key parts of the Society's strategy.

Working with other partners, such as the RA and the teaching profession, the Society intends to present Amateur Radio as a route into a lifelong interest in communications technology. The basic ideas for a new progressive licensing structure will be put in place, aimed to stimulate a new generation of radio amateurs in tune with the interests of society at large.

In an environment of increasing commercial pressure and potential encroachment into amateur spectrum, the Society will influence policy makers by providing a valuable, impartial and expert opinion in both national and international spectrum negotiations.

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

### **Personnel**

The Society maintains a headquarters establishment of 27 salaried staff. The Society gives full and fair consideration to employment applications from disabled persons.

The Society is supported by a large number of unpaid volunteers who work tirelessly for the benefit of members. Their efforts are greatly appreciated. With the approval of the new constitution, the numbers representing regional membership will be increased, as will the responsibilities of some Council members.

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

## Report of the Council *(continued)*

### Council and Zonal members at 30 June 2000

President	DF Beattie	G30ZF (appointed 1 January 2000)
Immediate Past President	Vacant	
Treasurer	K Ashcroft	G3MSW

### Ordinary Members of the Council

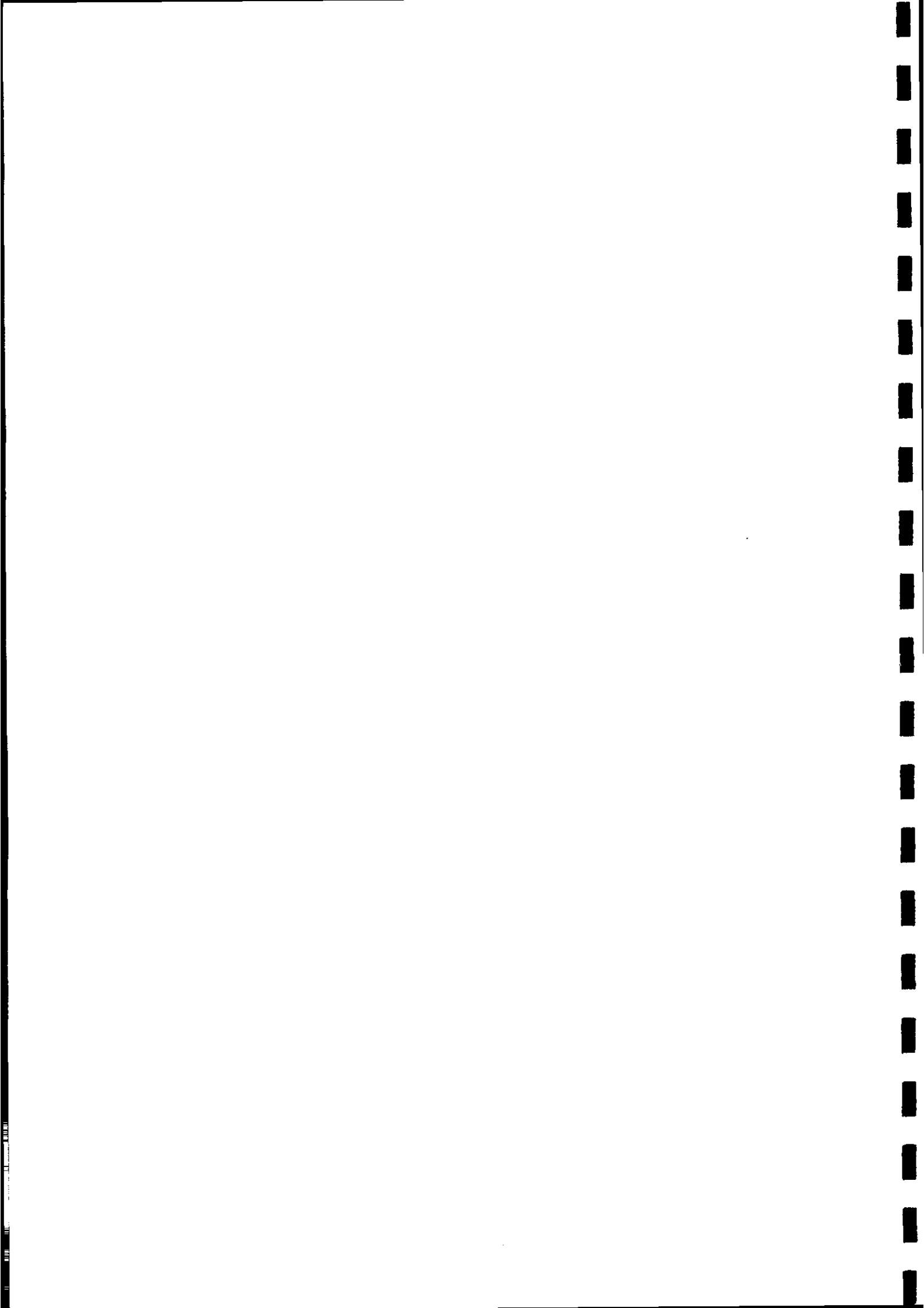
GL Adams	G3LEQ	(appointed 1 January 2000)
RH Biddulph	M0CGN	
G W Dover	G4AFJ	
R Horton	G3XWH	
RM Page-Jones	G3JWI	
RC Whelan	G3PJT	(appointed 1 January 2000)

### Zonal Members of the Council

Zone A: PR Sheppard	G4EJP	
Zone B: JF Layton	G4AAL	
Zone C: FC Handscombe	G4BWP	(co-opted 1 April 2000)
Zone D: DW McQue	G4NJu	
Zone E: EP Essery	GW3KFE	
Zone F: JD Smith	MI0AEX	(appointed 1 January 2000)
Zone G: TWG Menzies	GM1GEQ	

### Retired during the year

JT Barnes	GI3USS	(retired 31 December 1999)
PE Chadwick	G3RZP	(retired 31 December 1999)
EN Cheadle	G3NUG	(resigned 29 September 1999)
MH Claytonsmith	G4JKS	(resigned 31 December 1999)
ID Stuart	GM4AUP	(resigned 1 June 2000)
FC Stewart	GOCSF	(deceased 19 January 2000)



## Report of the Council *(continued)*

### Political and charitable contributions

The Society made no political or charitable donations during the year (1999: £nil).

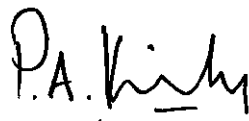
### Annual General Meeting

The 74th Annual General Meeting of the Society will be held at 11.00am on 2 December 2000.

### 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 Council



P A Kirby  
*Company Secretary*

Lambda House  
Cranborne Road  
Potters Bar  
Herts  
EN6 3JE

7/10/2000

## Statement of the Councils' responsibilities

Company law requires the Council 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 Council is 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 Council is 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 Council has 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 16.

### **Respective responsibilities of directors and auditor**

The Council members are responsible for preparing the Councils' 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 Councils' 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 Councillors' 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 Council 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 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

*25 October 2000*

**Income and expenditure account**  
*for the year ended 30 June 2000*

	<i>Note</i>	<b>2000</b> £	<b>1999</b> £
<b>Gross income from all sources</b>	<b>3</b>	<b>1,572,824</b>	<b>1,585,989</b>
Direct costs (cost of books and products sold)		<u>(144,706)</u>	<u>(138,224)</u>
<b>Gross surplus</b>		<b>1,428,118</b>	<b>1,447,765</b>
<b>Administrative expenses:</b>			
Sales and distribution expenses		(431,001)	(465,785)
<b>Other operating expenses</b>		<u>(1,005,967)</u>	<u>(1,058,638)</u>
<b>Total expenditure</b>		<b>(1,436,968)</b>	<b>(1,524,423)</b>
<b>Operating deficit</b>		<u>(8,850)</u>	<u>(76,658)</u>
Write back of diminution in value of land and buildings previously charged to the income and expenditure account in 1995		-	77,113
Other interest receivable and similar income	<b>6</b>	<u>21,282</u>	<u>26,636</u>
<b>Surplus on ordinary activities before taxation</b>	<b>4</b>	<b>12,432</b>	<b>27,091</b>
Tax on surplus on ordinary activities	<b>7</b>	-	-
<b>Retained surplus for the financial year</b>	<b>11</b>	<u><b>12,432</b></u>	<u><b>27,091</b></u>

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

The movement in the income and expenditure account is shown in note 11.

**Balance sheet**  
 at 30 June 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	8	572,085	550,178
<b>Current assets</b>			
Stocks	9	146,577	96,157
Trade debtors		69,672	56,307
Other debtors		15,951	-
Prepayments and accrued income		105,801	69,441
Cash at bank and in hand		363,395	380,011
		<u>701,396</u>	<u>601,916</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		(123,684)	(87,622)
Obligations under finance leases	10	(11,202)	(4,492)
Subscriptions in advance		(370,938)	(359,964)
Accruals and deferred income		(171,929)	(124,824)
Other creditors		(29,322)	(28,683)
Other taxation and social security		(18,474)	(19,629)
		<u>(725,549)</u>	<u>(625,214)</u>
<b>Net current liabilities</b>		<u>(24,153)</u>	<u>(23,298)</u>
<b>Total assets less current liabilities</b>		<u>547,932</u>	<u>526,880</u>
<b>Creditors: amounts falling due after more than one year</b>			
Obligations under finance leases	10	(12,619)	(3,503)
<b>Net assets</b>		<u>535,313</u>	<u>523,377</u>
<b>Capital and reserves</b>			
Income and expenditure account	11	359,641	347,209
Restricted funds	11	3,841	4,337
Revaluation reserve	11	171,831	171,831
<b>Members' funds</b>		<u>535,313</u>	<u>523,377</u>

These financial statements were approved by the Council on 7/10/2000 and signed on its behalf by:



DF Beattie  
 President



K Ashcroft FCA FCMA  
 Treasurer

**Statement of total recognised gains and losses**  
*for the year ended 30 June 2000*

	2000 £	1999 £
<b>Surplus for the financial year</b>	<b>12,432</b>	<b>27,091</b>
Property revaluation excess after the reversal of the 1995 write back	-	171,831
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the financial year</b>	<b>12,432</b>	<b>198,922</b>
	<hr/>	<hr/>

## 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 No 1 (revised 1996) 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.

#### *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.

## Notes (continued)

### Accounting policies (continued)

#### 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

	2000 £	1999 £
Subscription income	864,681	844,556
Radcom advertising income	212,295	236,987
Book sales	308,413	298,227
Other income	187,435	206,219
	<hr/>	<hr/>
	1,572,824	1,585,989
	<hr/>	<hr/>
Other income comprises the following:		
Morse tests	13,844	11,148
Novice licence	2,833	3,494
Rallies and exhibition fees	33,595	30,444
Repeaters	25,263	26,735
Special event callsigns	5,892	5,592
Newsletters	2,957	29,268
Sundry income	11,800	12,979
Radio Today	91,251	86,559
	<hr/>	<hr/>
	187,435	206,219
	<hr/>	<hr/>

## Notes (continued)

### 4 Surplus on ordinary activities before taxation

This is stated after charging:

	2000 £	1999 £
Auditors' remuneration:		
Statutory audit	9,700	9,450
Other services	2,396	1,800
Depreciation:		
Owned assets	37,953	22,349
Assets held under finance leases	11,520	5,605
Hire of plant and machinery	11,437	11,452
	<hr/>	<hr/>
	2000 £	1999 £
Council and Committee expenses:		
Council expenses	11,249	25,052
Committee expenses	18,133	30,224
Other expenses	3,887	3,841
	<hr/>	<hr/>
Total Council and Committee expenses	33,269	59,117
	<hr/>	<hr/>

### 5 Information regarding employees and council members

Council members 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	
	2000	1999
Headquarters	27	28
	<hr/>	<hr/>
The aggregate of payroll costs of these persons were as follows:		
	2000 £	1999 £
Wages and salaries	479,759	466,917
Social security costs	43,170	43,471
Other pension costs (see note 13)	18,858	17,075
	<hr/>	<hr/>
	541,787	527,463
	<hr/>	<hr/>

**Notes** *(continued)*

**6 Other interest receivable and similar income**

	2000 £	1999 £
Bank deposit interest	<u>21,282</u>	<u>26,636</u>

**7 Tax on surplus on ordinary activities**

	2000 £	1999 £
UK corporation tax	<u>-</u>	<u>-</u>

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)**

**8 Tangible fixed assets**

	Freehold land and buildings £	Computer equipment £	Fixtures and fittings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost or valuation:</b>						
At beginning of year	490,000	173,509	54,108	103,179	16,832	837,628
Additions	-	22,788	12,321	8,577	27,694	71,380
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	490,000	196,297	66,429	111,756	44,526	909,008
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>						
At beginning of year	-	141,084	35,484	102,007	8,875	287,450
Provided during the year	8,576	22,443	5,620	1,315	11,519	49,473
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	8,576	163,527	41,104	103,322	20,394	336,923
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>						
30 June 2000	481,424	32,770	25,325	8,434	24,132	572,085
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
30 June 1999	490,000	32,425	18,624	1,172	7,957	550,178
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land included above and not depreciated amounts to £207,000 (1999: £207,000)

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

	2000 £	1999 £
Cost	422,046	422,046
Depreciation	(44,874)	(42,381)
	<hr/>	<hr/>
Net book value	377,172	379,665
	<hr/>	<hr/>

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.

**Notes (continued)**

**9 Stocks**

	2000 £	1999 £
Work in progress	12,231	12,521
Consumable stock	3,773	51
Goods held for resale	130,573	83,585
	<u>146,577</u>	<u>96,157</u>

**10 Obligations under finance leases**

	2000 £	1999 £
Gross obligations under finance leases	27,089	9,075
Less: finance charges allocated to future periods	(3,268)	(1,080)
	<u>23,821</u>	<u>7,995</u>
Due within one year	11,202	4,492
Due within the second to fifth years inclusive	12,619	3,503
	<u>23,821</u>	<u>7,995</u>

**Notes** *(continued)*

**11 Reconciliation of movements in members' funds**

	Restricted funds	Income and expenditure account	Revaluation reserve
	£	£	£
Opening members' funds	4,337	347,209	171,831
Surplus/(reduction) for the financial year	(496)	12,432	-
Closing members' funds	<u>3,841</u>	<u>359,641</u>	<u>171,831</u>

**12 Commitments**

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

	2000 Other £	1999 Other £
Operating leases which expire:		
Within one year	4,637	3,714
In the second and fifth year inclusive	-	10,201
	<u>4,637</u>	<u>13,915</u>

**13 Pension scheme**

The charge for the year was £18,858 (1999: £17,075). There were no outstanding contributions at the year end (1999: £nil)