

**THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS
(a company limited by guarantee)**

Report and Financial Statements

Year ended 31 March 2018

**Charity No: 207823 for England and Wales
Charity No: SCO39289 for Scotland**

Company No: 231435

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Reference and Administrative Details

Legal Status

The Royal Society for the Prevention of Accidents (RoSPA) is a registered charity No.207823 and a Company registered in England and Wales No.231435 and Scotland, SCO39289, limited by guarantee and having no share capital. There were 3,673 members as at 31 March 2018 who are liable to contribute 50p each in the event of the Society being wound up.

Trustees

Mr M Parker CBE - Chairman
Dr D Lloyd – Vice Chairman
Mr I Bucknell – Hon Treasurer
Dr M O'Mahony
Mr P Brown
Professor Y Doyle CB
Mrs J McNulty
Dr J Redhead
Mrs H Kondel

President

Lord McKenzie of Luton

Senior Management Team

Shaun Brady	Head of Finance & Company Secretary (from 9 October 2017)
Jo Bullock	Head of Awareness and Education (from 11 September 2017)
Rob Burgon	Head of Training (from 1 September 2017)
Nathan Davies	Head of Consultancy (from 11 September 2017)
Darren Edwards	Head of Information Technology (from 24 July 2017 to 10 November 2017)
David Ewing	Head of Information Technology (from 29 January 2018)
Tom Mullarkey MBE	Chief Executive (to 20 April 2017)
Mark Penny	Finance Director & Company Secretary (to 31 August 2017)
Frances Richardson	Director of Operations (to 31 August 2017)
	Deputy Chief Executive & Head of Business Development & Membership (from 1 September 2017)
Tracey Rudge	Head of Human Resources (from 1 July 2017)
Julia Small	Head of Events & Qualifications (from 1 September 2017)
Errol Taylor	Acting Chief Executive (to 30 June 2017)
	Chief Executive (from 1 July 2017)

Registered Office

RoSPA House, 28 Calthorpe Road, Edgbaston, Birmingham, B15 1RP

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Bankers

Lloyds Bank plc, 142 Edgbaston Park Road, Birmingham, B15 2TY

Solicitors

Veale Wasbrough Vizards, Second Floor, 3 Brindley Place, Birmingham, B1 2JB

Fund Managers

Rathbone Investment Management Limited, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW

Structure, Governance and Management

Structure

The Royal Society for the Prevention of Accidents (RoSPA) is a registered charity, No.207823 and a Company registered in England and Wales, No. 231435 and Scotland, SCO39289, limited by guarantee and having no share capital. There were 3,673 members as at 31 March 2018 who are liable to contribute 50p each in the event of the Society being wound up.

The Society owns 100% of the share capital of its trading subsidiary RoSPA Enterprises Limited company No. 3021397. RoSPA Enterprises Limited gift aids its profits to the Society.

Governance and Internal Control

RoSPA is governed by its Memorandum and Articles of Association originally dated 17 May 1951 and last amended 14 November 2014. The Society has members, who may be individuals or corporate bodies. RoSPA also has Honorary Members, appointed at the discretion of RoSPA's Board of trustees (known as the "Board"). RoSPA holds its AGM in November each year.

Trustees

As set out in the Articles of Association, RoSPA is governed by the Board. The Trustees, of whom there are currently 9, are individually elected annually. The Trustees nominate those persons that they wish to be trustees for appointment by the Members in the notice of the Annual General Meeting. All retiring trustees are eligible for reappointment assuming other criteria requirements are met. Trustees must be aged 18 or more and have an interest in or skills, experience or knowledge relevant to the work of the Society. The Members shall then approve appointments at the Annual General Meeting. The normal term of office is 3 years, which may be extended to a second term of 3 years. Exceptionally, the Officers of the Charity may serve for up to 9 years, at the discretion of the Board.

The requirement for new trustees arises on the retirement or resignation of existing trustees or where the Nominations Committee identifies the need for new skills.

In selecting new trustees the Board seeks to achieve a range of skills and experience appropriate to the mission and objectives of the Society as the UK's leading safety charity.

Trustees may be recruited from, or on the recommendation of, organisations that encompass particular skills sets or professional skills. However, appointment of a trustee is based on the quality and skills of the individual and not simply by nomination of a particular organisation.

An interview process will take place before an individual is recommended to the Board as a prospective new trustee. On appointment, a new trustee will be given an induction pack and have induction meetings with RoSPA's senior managers. Trustees are encouraged to attend RoSPA events. On appointment, and during their term of office, training needs are identified and addressed.

Trustees at all times operate under the powers and duties given to them by the Memorandum and Articles of Association and under the various statutes relating to Trustees, Charities and Directors of Companies.

The Trustees normally meet four times a year as the Board and additionally have at least one full day Strategy meeting annually. The Board governs the charity and delegates specific responsibilities to sub-committees comprising the Nominations Committee (NomCom), the Remuneration Committee (RemCom), the Audit Committee and the Pensions Sub-Committee. These committees are all made up of trustees with senior members of RoSPA staff in attendance to support the decision-making processes.

All committees operate under specific terms of reference and their decisions are ratified by the Board.

Management Committees and the decision-making process

The Board (of Trustees)

RoSPA's Board of Trustees are Directors of RoSPA for the purposes of the Companies Act. The Board governs the charity and delegates certain powers to the following entity and committees:

- *RoSPA Enterprises Ltd (REL)*

REL is a registered company, wholly owned by RoSPA. The Board of REL reports to the Board of RoSPA. REL optimises RoSPA's income from commercial business opportunities, oversees the production of RoSPA's annual business plans, recommends and develops new commercial activities and monitors business performance. It also makes decisions to invest or divest and adjust strategic direction to maximise sustainable contribution.

- *Nominations Committee (NomCom)*

The RoSPA Nominations Committee monitors and reviews the skills mix of the Board, identifies areas for improvement and makes recommendations to the Board on matters relating to the recruitment of new trustees.

- *Remuneration Committee (RemCom)*

RemCom determines, within the policy approved by the Board, the remuneration of the Chief Executive, other Executive Committee members and the overall level of staff pay.

- *Audit Committee*

The Audit Committee reviews and reports to the Board on any financial statements produced for statutory and regulatory purposes, reviews the reports and findings of the external auditors and reviews the processes governing risk management and internal control within RoSPA.

- *Pensions Sub-Committee*

The Pensions Sub-Committee meets on an ad hoc basis to review and report to the Board on all matters relating to RoSPA's Retirement and Death Benefits Plan; a closed final salary scheme.

Objectives and Activities

RoSPA's Mission and Vision are its reason for being and are fundamental to all that it does. The focus is very much on making a practical difference to people's lives:

RoSPA's Vision:
Life, free from serious accidental injury

RoSPA's Mission:
Exchanging life-enhancing skills and knowledge to reduce serious accidental injuries

How RoSPA delivers its Mission and Vision changes over time to reflect the safety issues and challenges facing people in an ever-changing world. Increasingly RoSPA seeks to demonstrate the effectiveness and value of the work that it does. RoSPA seeks to effect positive change through its work as a promoter of key safety issues and as a provider of relevant services. The Society collects data, carries out research, develops policies, informs, educates, audits and provides expert consultancy in each of the following areas:

- At work
- At leisure
- On the road
- In the home
- By influencing and informing
- By developing risk education

Public Benefit

A comprehensive review of RoSPA's activities during the year ended 31 March 2018 is presented below. Through these initiatives, RoSPA continued to focus on achieving its mission and vision and the Trustees are satisfied that the Charity continues to meet the required public benefit test: there is a clear public benefit and RoSPA's activities are designed and implemented to meet it.

For further information and a more detailed review of achievements and performance, see also RoSPA's Annual Review for the year ended 31 March 2018.

Strategic Report

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their Strategic Report and the audited Financial Statements for the year ended 31 March 2018.

The Trustees have adopted the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS102.

The Strategic Report of the Trustees comprises the following sections:

- Achievements and Performance
- Financial Review of RoSPA 2017/18
- Plans for Future Periods
- Principal Risks and Uncertainties

Achievements and Performance

The culmination of RoSPA's centenary year was undoubtedly the highlight of 2017/18 at the Society. A common theme was conveyed through all the anniversary events – looking back at past successes while also looking at the challenges that remain within accident prevention, with RoSPA, together with many partners, renewing its efforts to meet them.

The RoSPA Centenary Royal Garden Party at Buckingham Palace in May 2017 provided an unrivalled opportunity to do this. RoSPA was joined by nearly 3,500 guests, including members, award winners, project partners, campaign supporters and committee members, as well as those whose lives have been directly affected by serious accidents. HRH The Duke of York, KG and HRH Princess Eugenie of York were both in attendance, speaking to a broad cross-section of the RoSPA family drawn from the Society's work across occupational health and safety, road safety, home safety, water and leisure safety and safety education.

In a similar vein, a RoSPA centenary exhibition, which ran from May 2017 to July 2017 in the main foyer at the Library of Birmingham, told the story of RoSPA's formation and historical highlights, but also challenged visitors to consider the current level of accidents and how they could be prevented – particularly those affecting young children in the home. Alongside an exhibition of vintage safety posters, the installation drew people's attention to RoSPA's Keeping Kids Safe campaign, which had been launched at the start of the centenary year in December 2016, and the free resources available as part of it – an online information hub and Lifeline, a freephone telephone helpline. Children's activities, one of which used the iconic road safety squirrel Tufty Fluffytail, promoted discussion and interactive learning on key safety topics.

The RoSPA Centenary Reception in Edinburgh marked the end of the centenary year and took place on St Andrew's Day in November 2017. In attendance were Annabelle Ewing MSP, the Minister for Community Safety and Legal Affairs, and many stakeholders from across Scotland's health and safety network. Once again, an exhibition of vintage posters provided an introduction to RoSPA's historical footprint and was juxtaposed with highlights from the Society's more recent and current projects.

In addition to the anniversary being observed at these special events, it was also marked through RoSPA's usual calendar of events and activities. The four days of ceremonies held for the RoSPA Health and Safety Awards 2017, for example, included centenary-themed content, as did RoSPA's suite of journals throughout the year.

Throughout the year, there was increased promotion of the fundraising appeal for the Keeping Kids Safe campaign – called the Brighter Beginnings Appeal. The Appeal was launched at the start of the centenary year in December 2016, with guests at the various centenary events and the RoSPA Awards being invited to fund Keeping Kids Safe packs. Nearly £46,000 was raised towards the Appeal during the year 2017/18, through individual and corporate donations and fundraising challenges. The packs, featuring tips and practical tools to help families keep under-5s safe in the home, were subsequently developed, and the foundations laid for their distribution to partner agencies working with young families to begin during Family Safety Week in April 2018.

With the focus on looking back and looking forward during the centenary, RoSPA took the bold step of launching a new vision and mission during the year. The vision – *Life, free from serious accidental injury* – and mission – *Exchanging life-enhancing skills and knowledge to reduce serious accidental injuries* – were designed to promote RoSPA's core value of respect for life, the importance of working with partners and the ambition to focus on the most burdensome accidents.

Specifically on home safety, among RoSPA's notable achievements during the year were the roll-out of the Take Action Today, Put Them Away household poisoning campaign to Stockton-on-Tees, Lincolnshire and Northern Ireland; the production of new nappy sacks packaging guidelines for retailers to highlight the risks associated with the products; and the launch of a new Be Aware carbon monoxide campaign in Glasgow.

On road safety, RoSPA's Driver Development course won the What Van? Safety Award, and RoSPA also launched an updated version of its Driver Profiler risk assessment tool. Additionally, a suite of short videos were developed to help parents and carers learn how to choose and fit child car seats, and RoSPA achieved national recognition through the ITV series 100 Year Old Driving School, which followed the stories of older drivers undertaking RoSPA's Experienced Driver Assessment.

In the leisure safety realm, as part of RoSPA's work with the National Water Safety Forum, it was involved in the production of the Biennial Review 2016/17, which was published in March 2018 and looked at the first two years since the launch of the UK's Drowning Prevention Strategy. In Scotland, where RoSPA provides the secretariat for Water Safety Scotland, the Society was involved in the production of Scotland's first Drowning Prevention Strategy and was delighted when First Minister Nicola Sturgeon MSP signed a water safety pledge at the Scottish Parliament.

On occupational safety and health, RoSPA was involved in the development, and promoted the subsequent launch, of ISO 45001, the first global standard for occupational health and safety management systems. It also launched a new guide to help people understand key principles in health and safety, and began to explore how employers can meet the needs of an ageing workforce, hosting a seminar on the issues and piloting a falls prevention programme with a Glasgow employer.

On safety education, the Society continued to promote the importance of both teaching safety and teaching safety and, among its activities, it responded to a consultation on the teaching of personal, social, health and economic (PSHE) education, a subject that it believes should be made a statutory requirement.

During the year 2017/18, everyone at RoSPA was shocked by the severity and extent of the terrible fire at Grenfell Tower. Following the fire, the Society promoted general fire safety advice to help those who were understandably concerned about the safety of their own homes, as well as contributing more formally to the consultation on the Terms of Reference of the Grenfell Tower inquiry. RoSPA also worked with other health and safety organisations to present a unified voice cautioning against deregulation of the sector and calling for a sea change in attitudes towards health and safety regulation and fire safety.

Throughout the year, the drafting of the National Accident Prevention Strategy for England (NAPS) also continued apace, ahead of its planned launch in the autumn of 2018.

More information about RoSPA's achievements and performance can be found in the RoSPA Annual Review 2017/18, which is available on the Society's website (www.rospa.com/annualreview/).

Financial Review of RoSPA 2017/18

The Society's Key Performance Indicators are the trading surplus or deficit and the balance of unrestricted funds. The Society produced a trading surplus of £187k (2017: surplus £151k) for the year.

After accounting for an unrealised loss on investments £25k before expenses of £29k (2017: £490k gain), an increase in value of the heritage assets £85k (2017: £Nil) and an actuarial gain on the final salary pension scheme of £286k, (2017: £670k loss) there was a net surplus for the year of £533k, (2017: £29k deficit). The £533k was represented by an increase in unrestricted funds of £546k and a reduction of £13k in restricted funds.

Although driving income growth – through the delivery of more services to both the domestic and international markets is a key priority for the organisation, ensuring our overhead cost base is at an optimum level is also key to the ongoing sustainability of the Society. With this in mind, during the year, a flatter senior management structure was implemented, which is felt will both enable the organisation to grow and deliver greater practical benefits to people's lives, and deliver these both more effectively and cost efficiently. As a result total staff costs fell by £293k (from £4.105 million to £3.812 million) during the year.

RoSPA has net liabilities of £104k as at 31 March 2018 (31 March 2017: £637k liabilities), entirely due to the actuarial valuation of its final salary pension deficit. Given the long term nature of this pension liability, the encouraging performance for the year ended 31 March 2018 and with cash and debtors of £3.2 million (2017: £3.8 million) and investments of £4 million (2017: £3.8 million) at the balance sheet date, the Board remains of the view that RoSPA is a going concern.

The Group continued to maintain a healthy bank balance; at the year end, cash balances totalled £1.3 million (2017: £1.8 million). Turnover fell slightly by 2.2% to £8.87 million, (2017: £9.07 million), across most trading activities.

In overview, 27% of the Society's income for the year came from Grants, Sponsorship and Membership with the remainder coming from chargeable activities. These activities are in line with the charitable objectives of the Society and include training in safety, implementation of safety audit procedures, awards for best practice and the hosting of events to assist in the implementation of new legislation and other key initiatives.

RoSPA's wholly owned trading subsidiary, RoSPA Enterprises Ltd (REL), continued to trade successfully during the period, providing training and consultancy, advertising and sponsored activities such as the RoSPA Occupational Health & Safety Awards Scheme. For the year ended 31 March 2018 REL made a covenanted distribution to the Charity, included in the results discussed above, of £645k, representing all of its taxable profits (2017: £598k).

The factors likely to affect the financial position going forward as identified by the Trustees on the risk register are primarily external in respect of movement on investments and liabilities and the net liability in respect of the final salary pension scheme deficit. These are mitigated by the fact that RoSPA maintains significant cash balances, has no external debt and holds significant long term investments.

Further information about the extensive range of activities and services provided through REL are included in the Annual Review and on the RoSPA website (www.rospace.com).

Pension Scheme

Despite being closed to new members and new accrual since 2001 the deficit, under FRS102, remains significant; £6,225k at year end, (2017: £6,603k). Nevertheless, RoSPA has no external debt other than trade creditors and has been successful at strengthening its balance sheet over recent years to provide a strong covenant for this long term liability. Increased funding has been agreed for the next two years, supplemented by an agreement to make additional contributions insofar as the Society exceeds its annual financial targets, with a view to clearing the funding deficit over the medium term.

The scheme is managed by the final salary pension scheme trustees and administered by KPMG. During the financial year the scheme trustees invested a proportion of the scheme's assets in a form of "Liability Driven Investment" with the intention of achieving better tracking between movements in the scheme's assets and liabilities and thereby reducing volatility in the valuation of the deficit.

Reserves

The Trustees continue to recognise the need to hold sufficient free reserves to protect the continuation of RoSPA's core activities. These reserves should allow the organisation to plan ahead with a reasonable degree of confidence in the event of income shortfalls due to economic or market downturns and to undertake effective long-term strategic planning.

Free reserves available for use by RoSPA comprise those that are readily realisable, less funds subject to restricted uses or designated for particular purposes and fixed assets. At 31 March 2018 these comprised a total of £3,940k (March 2017: £3,729k), an increase of £211k for the year.

The ongoing target level for RoSPA's free reserves should approximately equate to six months of fixed operating costs or £2,500k, reflecting the variability of commercial returns and the fact that RoSPA's income is predominantly self-generated via its training and associated activities. Hence we are currently operating at above our target level of free reserves. Restricted reserves at 31st March 2018 were £281k (March 2017: £294k) as analysed in Note 2 to these accounts.

There are no material amounts designated or committed at the end of period outside of usual trading.

Investment Portfolio

The investment portfolio managed by Rathbone Investment Management Ltd, London, decreased by £25k (less expenses of £29k) during the period. An additional £250k was invested from cash reserves leaving an investment total of £4,006k at 31 March 2018. Dividends of £67k were achieved during the year. The total return on investments stood at 1.1% over the period.

The Investment Policy continues to target three objectives:

- a) The maintenance/enhancement of invested funds – Rathbone are seeking to deliver CPI+4% over the investment cycle;
- b) a reasonable balance between capital growth and income; and
- c) the avoidance of undue risk.

The Policy also seeks to achieve a sound financial return while not investing in assets which could be detrimental to the aims and objectives of the Society.

Plans for Future Periods

In policy terms, RoSPA will continue to develop the key safety messages and issues programmes it currently pursues, with the goal of cutting accident rates across all areas. This will continue to involve working with governmental and other organisations to develop effective strategies for reducing accidents and avoiding the lost opportunities and adverse societal impacts they cause.

In terms of its business activities, RoSPA will continue to focus on managing its affairs professionally and efficiently and on providing high quality training and consultancy to its clients, supported by leading edge seminars and congresses developing discussion and information exchange on emerging issues.

RoSPA's aim is to ease access to knowledge and good practice through face-to-face contact and via information systems, which are increasingly used by business where staff time is at a premium.

Principal Risks and Uncertainties

Identification and Management of Risks

The Board assesses business risks and implements risk management strategies. The Trustees are pleased to report that the Charity's internal financial controls conform to guidelines issued by the Charity Commission.

A Risk Register has been prepared to help manage the risk process. It contains all risks identified, and is subject to regular review. A formal review of the risk management processes is undertaken on an annual basis.

The key controls used by the charity include:-

- Formal agenda for all Board and Committee activity.
- Detailed terms of reference for all Committees.
- A commitment to selecting suitable nominated trustees and where applicable, to provide risk training.
- A process for strategic planning, budget setting and management accounting.
- Established organisational structure with clear lines of reporting.
- Written policies, clear authorisation and approval levels.
- Clear allocation of all significant risks to named individuals.

Through the established risk management processes, the Board is satisfied that, while systems can only provide reasonable rather than absolute assurance, the major risks encompassing the Charity – detailed below, have all been identified and appropriately managed as necessary.

- Final salary pension scheme deficit.
- Weak financial reserves.
- The weak UK economy.
- Reputational risk.

- Potential data breach (associated with the new GDPR regulations).

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charitable company's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

All of RoSPA's current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

The Board of Trustees approved this report on 12 September 2018.



Mr M Parker CBE
Chairman

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE ROYAL SOCIETY FOR THE PREVENTION OF ACCIDENTS

Opinion

We have audited the financial statements of The Royal Society for the Prevention of Accidents ("the Parent") and its subsidiary ("the Group") for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated cash flow statement and 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 Group's and of the Parent Charitable Company's affairs as at 31 March 2018 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable 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 Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises: Reference and Administrative Details, Structure Governance and Management, Objectives and Activities and the Strategic Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company 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.

Responsibilities of Trustees

As explained more fully in the Statement of Directors' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees determines 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 Trustees are responsible for assessing the Group and the Parent Charitable 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 Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's trustees, as a body in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable 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 Charitable Company and the Charitable Company's members as a body and to the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO UK

Kyla Bellingall (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Birmingham

United Kingdom

Date *19 September 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the 12 months ended 31 March 2018

	Note	2018	2018	2018	2017	2017	2017
		£'000	£'000	£'000	£'000	£'000	£'000
		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Funds</u>
Income and endowments from:							
Donations and legacies	3	(15)	-	(15)	121	-	121
Charitable activities							
At Work		5,301	126	5,427	5,279	121	5,400
At Leisure		191	45	236	179	55	234
On the Road		1,768	412	2,180	1,828	429	2,257
In the Home		37	548	585	28	610	638
By influencing and informing		271	51	322	323	11	334
Investments	4	70	-	70	84	-	84
Other		60	-	60	2	-	2
		-	-	-	-	-	-
Total income	2	<u>7,683</u>	<u>1,182</u>	<u>8,865</u>	<u>7,844</u>	<u>1,226</u>	<u>9,070</u>
Expenditure on:							
Raising Funds							
Investment Management Costs		29	-	29	19	-	19
Charitable activities							
At Work		4,805	133	4,938	4,798	118	4,916
At Leisure		25	231	256	20	273	293
On the Road		1,214	753	1,967	1,347	695	2,042
In the Home		(5)	680	675	(68)	805	737
By influencing and informing		754	59	813	903	9	912
Total expenditure	5	<u>6,822</u>	<u>1,856</u>	<u>8,678</u>	<u>7,019</u>	<u>1,900</u>	<u>8,919</u>
Net income/ (expenditure) pre investment gains and losses		<u>861</u>	<u>(674)</u>	<u>187</u>	<u>825</u>	<u>(674)</u>	<u>151</u>
Net gains / (losses) on investments		(25)	-	(25)	490	-	490
Net income/ (expenditure)		<u>836</u>	<u>(674)</u>	<u>162</u>	<u>1,315</u>	<u>(674)</u>	<u>641</u>
Transfers between funds	2	(661)	661	-	(599)	599	-
		175	(13)	162	716	(75)	641
Other recognised gains/ (losses):							
Heritage Asset Revaluation Gain		85	-	85	-	-	-
Actuarial (Loss) Gain		286	-	286	(670)	-	(670)
Net Movement in funds		<u>546</u>	<u>(13)</u>	<u>533</u>	<u>46</u>	<u>(75)</u>	<u>(29)</u>
Fund Balances brought forward at 1 April 2017	2	<u>(931)</u>	<u>294</u>	<u>(637)</u>	<u>(977)</u>	<u>369</u>	<u>(608)</u>
Fund Balances carried forward at 31 March 2018	2	<u>(385)</u>	<u>281</u>	<u>(104)</u>	<u>(931)</u>	<u>294</u>	<u>(637)</u>

All of the above results are derived from continuing activities. All gains and losses in the year are included above. The notes on pages 16 to 30 form part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 March 2018

	Note	Group 2018	Group 2017	Charity 2018	Charity 2017
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	6	1,856	1,888	1,856	1,888
Intangible assets	7	44	54	44	54
Heritage Assets	8	185	100	185	100
Investments	11	4,006	3,823	4,006	3,823
		6,091	5,865	6,091	5,865
Current Assets					
Debtors due within one year	10	1,881	2,055	1,729	1,759
Cash at Bank and in Hand		1,332	1,825	1,321	1,831
		3,213	3,880	3,050	3,590
Creditors: amounts falling due within one year	12	(3,183)	(3,779)	(3,116)	(3,793)
Net Current Assets		30	100	(66)	(204)
Total Assets less Current Liabilities		6,121	5,966	6,025	5,662
Pension Liability	18	(6,225)	(6,603)	(6,225)	(6,603)
Net (Liabilities)/Assets		(104)	(637)	(200)	(941)
Funds :					
Unrestricted Funds excluding the Pension Liability		5,840	5,672	5,840	5,672
Pension Liability	18	(6,225)	(6,603)	(6,225)	(6,603)
Unrestricted Funds	2	(385)	(931)	(385)	(931)
Restricted Funds	2	281	294	185	(10)
Total Funds	2	(104)	(637)	(200)	(941)

The financial statements were approved by the trustees on 12 September 2018 and signed on their behalf by:



Mr M Parker CBE
Chairman

The notes on pages 16 to 30 form part of these financial statements.

Consolidated Cash Flow Statement for the 12 months ended 31 March 2018

	Note	2018 £	2017 £
Net cash provided by (used in) operating activities	13	(245)	205
Cash flows from investing activities			
Dividends, interest, rents from investments		83	84
Payments to acquire tangible fixed assets	6	(81)	(7)
Purchase of investment assets	11	(250)	-
Net cash provided by (used in) investing activities		(248)	77
<i>Change in cash and cash equivalents in the reporting period</i>		(493)	282
Cash and cash equivalents at the beginning of the reporting period		1,825	1,542
Cash and cash equivalents at the end of the reporting period		1,332	1,825
Decrease in funds		(493)	283

The notes on pages 16 to 30 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 March 2018

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and the inclusion of investments at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

b) Fund accounting

Unrestricted Funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. This includes funds received under supply contracts which may be restricted as to their purpose but cannot be classed as such due to their legal status.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors. The cost of administering such funds is charged against each specific fund. The aim and use of each restricted fund is set out in note 2 to the financial statements. Restricted Funds include funds for distribution. These are funds passed through the society to forward to other charities or to benevolent causes, and do not represent activity of the Society itself. Distribution funds are not included in the calculation for irrecoverable VAT. The funds assets are held entirely as cash at bank and in hand.

Funds that partially sponsor an activity or event are charged with cost equal to the sponsorship value.

Overhead costs are charged to grant-funded activities, whether or not they are specifically referenced by the grant provider. Allocation is by head count, except helpdesk, press office and website costs which are allocated by activity level.

Where the funding does not cover the costs a balance is transferred from unrestricted funds to cover any deficit. For the year ended 31 March 2018 the value of this transfer was £661k.

c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Subscriptions are receivable on varying dates throughout the year and are apportioned on a time basis; the proportion received in advance being carried forward in the balance sheet.

Where funding is provided by way of grants and sponsorship, the monies are separately accounted for as Restricted Funds and applied to the projects specified by their providers. Grant income is accounted for on a receivable basis.

Income is deferred to future periods from the period when it is received to the period to which it relates. This includes income for membership, training courses and events.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where possible, costs have been allocated directly to the activity to which they relate. However, there are also shared support costs that enable the charity's charitable, income generating and governance activities to be undertaken. These costs have been allocated to the Charity's activities using appropriate cost drivers as follows:

1. Staff Numbers for administration, IT, Human Resources, Accountancy, Calthorpe Road and facilities costs.
2. Press Office and Information Centre on number of enquiries and level of activity.

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets except freehold land at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold buildings	over 50 years
Short leasehold properties	over term of lease
Fixtures	over 14-15 years
Office equipment	over 6-7 years
Computer equipment	over 4 years

Purchases are recognised as fixed assets only if the economic life of the purchase can reasonably be expected to be at least as long as the depreciation period, and purchase cost exceeds £500.

f) Intangible assets and amortisation

Intangible assets are stated at historical cost less accumulated amortisation. Amortisation is provided on all intangible assets calculated to write off the cost on a straight line basis over the expected useful economic lives as follows:

Computer Software	over 4 years
-------------------	--------------

g) Investments

The investments are stated at their market value at the year end and any gains or losses are taken to the statement of financial activities. The investment policy is determined by the Board, and is reviewed every three years.

h) Pension costs

The difference between the fair value of the assets held in the charity's defined benefit pension scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the charity's balance sheet as a pension scheme liability. The carrying value of any resulting pension scheme asset is restricted to the extent that the charity is able to recover the surplus either through reduced contributions or through refunds from the scheme.

Changes in the deferred benefit pension asset or liability arising from factors other than cash contribution by the charity are charged to the SOFA in accordance with FRS102.

i) Finance and operating leases

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred. There are currently no assets purchased under finance leases.

j) Lessors

Rents receivable are spread from the inception of the lease to the break points evenly over that period.

k) Foreign exchange

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the statement of financial activities.

l) Contingent liability

There is a potential clawback for all grant monies and restricted funds where they are not spent in accordance with the terms and conditions of the grant offer letter or contract. The Society's expenditure controls are designed to ensure that there is no such liability.

m) Heritage Assets

The charity's collection of artwork and posters is reported in the Balance Sheet at valuation. Valuations are reviewed every year and updated by professional valuers every 5 years or more often if the trustees consider it necessary. The trustees would consider this necessary if for example further heritage assets had been discovered or if the level of related sales had changed significantly in the period. It is the charity's policy to maintain its collection of artwork and posters in good condition and any maintenance costs incurred to preserve such are charged to the Statement of Financial Activities when incurred. The artwork and posters are deemed to have indefinite lives and the Trustees do not therefore consider it appropriate to charge depreciation.

n) Legacy Income

In respect of legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the estate that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

o) Sources of estimation uncertainty

i To determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases (see note 14) depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

ii To determine whether there are indicators of impairment of the company's tangible assets the factors taken into consideration include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. Tangible fixed assets (see note 6) are depreciated over their useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

iii To determine the provision against trade debtors (see note 10) they are assessed at each reporting date for recoverability. If there is any evidence of impairment the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Consolidated Statement of Financial Activities.

p) Going concern

These accounts are prepared on a going concern basis. While the Group Balance Sheet at 31st March 2018 shows net liabilities of (£104K) (2017: (£637k)), this is entirely due to the actuarial valuation of RoSPA's final salary pension scheme deficit of (£6.2 Million) (2017: (£6.6 Million)). This is a long term liability whose valuation is reviewed annually and which will crystallise gradually over the next 30 years.

Unrestricted funds excluding the pension liability, RoSPA's chosen measure of added value, increased in the year by £168k (2017: £735k) and RoSPA continues to strengthen its Balance Sheet by growing its liquid assets; the investment portfolio of £4.0 Million (2017: £3.8 Million) and cash balances of £1.3 Million (2017: £1.8 Million). The outlook for cash-flow also remains positive for the foreseeable future and consequently the Board continue to hold the view that the going concern basis is entirely justified.

2. Statement of funds	At 1 April		Other recognised			At 31 March
	2017	Income	Expenditure	Gains	Transfers	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds:						
<i>Grants and Sponsorships:</i>						
At Work						
Awards and Events Sponsorships	10	123	126		-	7
Other Occupational Sponsorships	10	3	7		-	6
	20	126	133		-	13
At Leisure						
Maritime & Coastguard Agency in respect of The National Water Safety Forum	52	45	224		198	71
National Water Safety Forum Donations	24	-	7		-	17
	76	45	231		198	88
On the Road						
Transport Scotland – Scotland's Road Safety Framework Activity		99	152		53	-
Welsh Government – Road Safety in Wales		118	171		53	-
Department for Transport – Road Safety Programme		195	425		230	-
Other Road Safety	29	-	5		-	24
	29	412	753		336	24
In the Home						
The Scottish Government	-	104	151		47	-
Department of Health, Social Services & Public Safety, Northern Ireland	-	71	75		4	-
Department of Health & Social Care – Stand Up, Stay Up	-	240	258		18	-
Other Home Safety	128	134	196		52	118
	128	549	680		121	118
By influencing and informing						
Brighter Beginnings RoSPA Campaign	26	52	50		6	34
Other Campaigns & Sponsorship	15	(2)	9		-	4
	41	50	59		6	38
Total restricted funds	294	1,182	1,856		661	281
Unrestricted funds	(931)	7,683	6,822	346	(661)	(385)
Total funds	(637)	8,865	8,678	346	-	(104)

Where the funding on restricted funds does not cover the costs of the work undertaken the balance is transferred from unrestricted funds. For the year ended 31 March 2018 the value of this transfer is £661k (2017 £599k).

Grants and Sponsorships

At Work

Awards and Events Sponsorships include support from:

NEBOSH, Springfields Fuels Ltd, GPIC, Allianz, Tesco, Britax and NHS National Services Scotland for the Awards Scheme

Other Occupational Sponsorships include support from:

Safety Groups UK towards costs of administration and website hosting.

At Leisure

Water Safety Grant paid by:

The Maritime & Coastguard Agency to support the work of the National Water Safety Forum.

On the Road

Road Safety Grants Scotland paid by:

The Scottish Government to fund RoSPA's road safety activities in Scotland including providing in car safety training.

Road Safety Grants Wales paid by:

The Welsh Assembly Government to support RoSPA's road safety activities in Wales.

Road Safety Grants England paid by:

The Department for Transport to support RoSPA's road safety activities in England.

In the Home

Home Safety Grants and Sponsorship Scotland paid by:

The Scottish Government to support RoSPA's Home Safety activity in Scotland.

Scottish Fire & Rescue Service to support extension of Community Safety Project Officer

The Energy Networks Association to support Home Safety activity in Scotland in respect of Carbon Monoxide poisoning.

Home Safety Grants and Sponsorship Northern Ireland paid by:

The Department of Health, Social Services & Public Safety and Public Health Agency to support RoSPA's Home Safety activity in Northern Ireland.

Home Safety Grants and Sponsorship England paid by:

The Department for Business, Innovation and Skills to support improving product safety through the supply chain, including blind cord awareness, nappy sacks, poisoning and statistical research funding.

Department of Health for the Stand up, Stay Up Taking the rise out of falls project supported by the Innovation, Excellence and Strategic Development Fund.

Poisoning Awareness Raising Programme supported by UKCPI.

Laundry Capsule collaboration with Procter and Gamble.

RoSPA is committed to working in partnership and is most grateful for the help and support of the Government departments and organisations listed above, without whose assistance much of the Society's work would not be possible.

3. Legacy income

A residuary legacy of £121,032 was notified to the Society in the previous financial year. Probate in respect of the estate has been obtained; however, the distribution has not yet been made. An updated valuation of the residuary legacy of £106,487 has been obtained from the solicitors. The income accrual has been adjusted accordingly in the period. There was no other legacy income in the current nor previous period.

4 Investment income	2018 £'000	2017 £'000
Interest receivable	3	4
Dividends receivable from investments, note 9	67	80
	70	84

5 Total resources expended

	Staff Costs £'000	Other Direct Costs £'000	Allocated Costs £'000	Total 2018 £'000	Total 2017 £'000
Raising Funds					
Investment Management Costs	-	29	-	29	19
Costs of Activities in furtherance of the charity's objects:					
At Work	1,523	2,287	1,128	4,938	4,916
At Leisure	58	77	121	256	293
On the Road	530	893	544	1,967	2,042
In the Home	234	211	228	673	737
By influencing and informing	424	397	(6)	815	912
Support costs	1,043	(1,043)	-	-	-
Pension costs per FRS17					
Total resources expended	3,812	2,851	2,015	8,678	8,919

Other direct costs include :

	2018 £'000	2017 £'000
Depreciation and Amortisation	123	131
Auditors' remuneration:		
Audit fee	24	20
Audit Services REL	1	2
Operating lease rentals :		
Cars	28	17
Office Equipment	56	56
Property	62	62

6 Tangible fixed assets	Leasehold property	Office Equipment	Computer Equipment	Total
Cost	£'000	£'000	£'000	£'000
At 1 April 2017				
Additions	2,027	394	284	2,705
At 31 March 2018	-	-	71	71
	<u>2,027</u>	<u>394</u>	<u>355</u>	<u>2,777</u>
Depreciation				
At 1 April 2017				
Charge for Year	326	231	260	817
At 31 March 2018	47	29	27	103
	<u>373</u>	<u>260</u>	<u>287</u>	<u>920</u>
Net book value				
At 31 March 2018	<u>1,654</u>	<u>134</u>	<u>68</u>	<u>1,856</u>
At 1 April 2017	<u>1,702</u>	<u>163</u>	<u>24</u>	<u>1,888</u>

7 Intangible fixed assets	Computer Software	Total
Cost	£'000	£'000
At 1 April 2017	84	84
Additions	10	
At 31 March 2018	<u>94</u>	<u>94</u>
Amortisation		
At 1 April 2017	30	30
Charge for Year	20	20
At 31 March 2018	<u>50</u>	<u>50</u>
Net book value		
At 31 March 2018	<u>44</u>	<u>44</u>
At 1 April 2017	<u>54</u>	<u>54</u>

Intangible fixed assets are the Computer software relating to the CRM, accounting and other systems.

8 Heritage Assets

In 2011-12 a substantial archive of artwork and posters were discovered. These were valued in the financial statements as a heritage asset in line with a valuation received by Dr Paul Rennie of the University of Arts London at £75,000. During 2014/5 further artwork and posters were discovered. Consequently the collection was revalued by Dr Rennie at the current valuation of £100,000. A revised valuation by Dr Rennie at 31st March 2018, based on current market conditions, has increased the value of the collection to £185,000.

9 Subsidiary company : RoSPA Enterprises Limited

The charity owns the whole of the issued ordinary share capital of RoSPA Enterprises Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities, namely consultancy and sales of advertising in the Society's journals. In addition corporate sponsorships are also carried out by the subsidiary. All activities have been consolidated on a line by line basis in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	Total 2018 £'000	Total 2017 £'000
Turnover	1,497	1,471
Cost of Sales	777	797
Gross Profit	720	674
Administrative Expenses	75	77
Net Profit	645	598

The aggregate of the assets, liabilities and funds was:

	2018	2017
Assets	194	300
Liabilities	(194)	(300)
Funds (representing 2 ordinary shares of £1 each)	0	0

10 Debtors due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Trade debtors	1,484	1,491	1,314	1,250
Other debtors	20	45	8	(9)
Amount owed by subsidiary undertaking			30	
Legacy income accrued	106	121	106	121
Prepayments	271	398	271	397
	1,881	2,055	1,729	1,759

11 Investments – Group and Charity

	2018 £'000	2017 £'000
Market value at 1st April	3,823	3,353
Cash Withdrawals	(80)	(80)
Management Fee	(29)	(19)
Investment gain / (loss)	(25)	505
Cash investment	250	-
Dividends reinvested / Income reinvested	67	64
Market value at 31st March	4,006	3,823
Historical cost at 31st March	3,423	3,059

Investments are held to achieve long term capital growth with income

An analysis of the market value of investments at 31st March 2018 is as follows:

	2018	2017
	£'000	£'000
UK Equities	1,256	1,256
Overseas Equities	1,330	1,273
Fixed Interest	517	665
Cash	404	102
Other	499	527
	<u>4,006</u>	<u>3,823</u>

The charity owns 100% of the share capital of RoSPA Enterprises Limited a company registered in England and Wales company no 3021397.

12 Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	276	417	251	406
Taxation and social security costs	275	307	275	303
Accruals	396	609	354	535
Amount owed to subsidiary undertaking	-	-	-	103
Deferred income	2,236	2,446	2,236	2,446
	<u>3,183</u>	<u>3,779</u>	<u>3,116</u>	<u>3,793</u>

Deferred Income is in relation to membership, training and awards fees received in advance. These fees are recognised in the statement of financial activities in the period to which they relate. The amount brought forward was £2,446k, the amount released to income from that figure was £2,117k and the amount received and deferred was £1,907k , leaving a balance of £2,236k.

13 Cash flow information for the group

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017
	£'000	£'000
Net income / (expenditure) for the reporting period	162	641
Adjustments for :		
(Gain) / Loss on investments	25	(490)
Investment Management Costs	29	19
Society Pension Contributions	(326)	(244)
Pension Costs borne by pension fund	234	263
Depreciation	123	132
Dividends, interest, rents on investments	(70)	(84)
Decrease / (Increase) in debtors	174	(617)
Increase/ (Decrease) in creditors	(386)	82
(Decrease)/ Increase in deferred income	(210)	503
Net cash provided by (used in) operating activities	(245)	205

14 Financial commitments

At 31st March 2018 the group has total future commitments under non-cancellable leases as follows :

	2018		2017	
	Land and		Land and	
	Buildings	Other	Buildings	Other
Payments due:	£'000	£'000	£'000	£'000
Within one year	62	213	62	170
Two to five years	162	361	233	209
Over five years	75	-	128	-
	299	574	423	379

15 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year (2017: £nil).

Out of pocket expenses incurred by Trustees were as follows :

	2018	2017	2018	2017
	Number	Number	£	£
Travel	10	10	1,046	1,204

16 Staff costs	2018	2017
	£	£
Wages and salaries	3,346	3,618
Social security costs	282	305
Pension costs	184	183
	3,812	4,106

The number of employees whose emoluments as defined for taxation purposes amounted to over £70,000 in the year was as follows:

	2018	2017
	Number	Number
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	-	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1

Three employees earning more than £70,000 in the year participated in recognised pension schemes to which contributions of £30,704 were paid during the year on their behalf. The total employee benefits of the senior management team were £781,845 (2017: £549,990). The senior management team was restructured during the year, amalgamating two tiers of management (senior and middle) into one, creating a much flatter management structure. This restructure, however, meant the senior team increased from four to nine people during the year.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2018	2017
	Number	Number
Charitable activities and cost of generating funds	84	87
Management and administration of the charity	24	23
	108	110

17 Status

The Society is a Company registered in England no. 231435, limited by guarantee and having no share capital. There were 3,570 registered members as at 31 March 2018 (2017: 3,777), who are liable to contribute 50p each in the event of the Society being wound up.

The Society is a registered charity no. 207823 in England and Wales and SCO392289 in Scotland and its objects are set out in its Articles of Association. As a charity the Society is exempt from corporation tax.

18 Pension: Defined benefit

The Society operates a defined benefit scheme in the UK - the RoSPA Retirement and Death Benefits Plan. A full actuarial valuation was carried out as at 5 April 2010 and has been updated to 31 March 2018 by a qualified independent actuary.

Society contributions of £326,000 were paid over the year ended 31 March 2018. This includes payments towards expenses of £40,000. The Society expects to contribute £260,000, plus £50,000 in expenses, to its defined benefit pension scheme in the next financial year.

The amounts recognised in the balance sheet are as follows:

	31 March 2018	31 March 2017
	£000	£000
Present value of funded obligations	16,452	17,472
Fair value of scheme assets	<u>(10,227)</u>	<u>(10,869)</u>
	6,225	6,603
Present value of unfunded obligations	-	-
Deficit	6,225	6,603
Related deferred tax asset	n/a	n/a
Net liability	6,225	6,603
Amounts in the balance sheet	31 March 2018	31 March 2017
	£000	£000
Liabilities	6,225	6,603
Assets	-	-
Net liability	6,225	6,603

The pension scheme assets include no assets from the Society's own financial instruments.

The pension scheme assets include no property occupied by, or other assets used by, the Society.

The amounts recognised in profit or loss are as follows:

	31 March 2018	31 March 2017
	£000	£000
Interest on obligation	440	557
Expected return on scheme assets	(271)	(350)
Expenses	65	56
Total	<u>234</u>	<u>263</u>

Actual return on scheme assets**Changes in the present value of the defined benefit obligation are as follows:**

	31 March 2018	31 March 2017
	£000	£000
Opening defined benefit obligation	17,472	16,025
Interest cost	440	557
Actuarial losses(gains)	(296)	1,565
Benefits paid	<u>(1,164)</u>	<u>(675)</u>
Closing defined benefit obligation	<u>16,452</u>	<u>17,472</u>

Changes in the fair value of scheme assets are as follows:

	31 March 2018	31 March 2017
	£000	£000
Opening fair value of scheme assets	10,869	10,111
Expected return	271	350
Actuarial (losses)gains	(10)	895
Contributions by employer	326	244
Expenses	(65)	(56)
Benefits paid	<u>(1,164)</u>	<u>(675)</u>
Closing fair value of scheme assets	<u>10,227</u>	<u>10,869</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	31 March 2018	31 March 2017
	%	%
Bonds	30	50
Liability Driven Investment	19	0
Diversified Growth Fund	50	48
Cash & Other	1	2

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31 March 2018	31 March 2017
Discount rate	2.60%	2.60%
Expected return on scheme assets	2.60%	2.60%
Inflation (RPI)	3.10%	3.30%
Inflation (CPI)	2.00%	2.30%
Future revaluation of pensions in deferment	2.20%	2.25%

Mortality - current pensioners

	S2PA 105%,CMI-2017 YOB 1.0%	S2PA 105%, CMI-2016 YOB 1.0%
Actuarial tables used		
Male life expectancy at age 65 (years from 65)	21.4	21.6
Female life expectancy at age 65 (years from 65)	23.3	23.4

Mortality - future pensioners currently aged 45

	S2PA 105%,CMI-2017 YOB 1.0%	S2PA 105%, CMI-2016 YOB 1.0%
Actuarial tables used		
Male life expectancy at age 65 (years from 65)	22.5	22.7
Female life expectancy at age 65 (years from 65)	24.6	24.7

Where investments are held in bonds and cash, the expected long term rate of return is taken to be the yields generally prevailing on such assets at the balance sheet date. A higher rate of return is expected from the diversified growth fund, which is based more on realistic future expectations than on returns that have been available historically. The overall expected long term rate of return on assets is then the average of these rates taking into account the underlying asset portfolio of the pension scheme.

Amounts for the current and previous four periods are as follows:

	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000
Defined benefit obligation	16,452	17,472	16,025	16,820	15,076
Scheme assets	(10,227)	(10,869)	(10,111)	(10,845)	(9,929)
Deficit (surplus)	6,225	6,603	5,914	5,975	5,147

19 Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, RoSPA Enterprises Limited.

A summary of the financial activities undertaken by the charity is set out below

	2018	2017
	£'000	£'000
Gross incoming resources	8,013	8,198
Net Outgoing Resources	(482)	44
Net Movement in Funds	740	(221)

20 Analysis of net assets between funds

	Fixed Assets	Net Current Assets	Pension Scheme Funding Deficit	Total
	£'000	£'000	£'000	£'000
Restricted	-	281	-	281
Unrestricted	6,091	(251)	(6,225)	(385)
	6,091	30	(6,225)	(104)

21 Financial Instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2018 £'000	As restated Group 2017 £'000
Financial assets measured at cost less impairment	2,942	3,482
Financial liabilities		
Financial liabilities measured at amortised cost	672	1,026

Financial assets measure at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to subsidiary undertakings.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow, interest rate risk, and foreign exchange risk is included in the Directors' report.

The prior year figures for financial liabilities have been restated to exclude deferred income of £2,446k from the financial liabilities figure.

22 Related party transactions

None of our trustees receives remuneration or other benefit from their work with the Society. Any connection or contractual relationship between a trustee or member of the senior management team and any client must be disclosed to the board of trustees. In the current year there were no such related party transactions reported and no balances as at 31 March 2018.