

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

**Directors' report and financial  
statements**

**Registered number 216431**

**Year ended 30 June 2003**



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## **Report of the Board for the Year Ended 30 June 2003**

The Board of the Radio Society of Great Britain ("the Society") presents its Annual Report and the audited financial statement for the year ended the 30 June 2003.

### **Principle Activities**

The principle activities of the Society are to provide services to members who are radio amateurs, short wave listeners or others with interests in radio communications. The Society represents the interests of all 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 past year has been one of progress and consolidation. The continued success of the Foundation Licence has rejuvenated the hobby and has been followed by a revision of the Intermediate and Full Licence syllabi. The results of this work will lead to the introduction of a fully progressive amateur radio licence scheme which will be available on demand from 1 January 2004.

A major project has been the complete redesign of RadCom; a move we hope has appealed to all members. We felt that the magazine should reflect the advances made in design and ideas so that visually it would be easier to read without impacting on the quality of the editorial. A further benefit was to make it more attractive to potential advertisers. This project has incurred some expenditure in professional fees this year but in the long term will prove to be cost efficient due to other administrative changes made at the same time. The selling of advertising space has been out-sourced to a third party. Advertising income has improved over the last quarter of the year and there are indications that this trend will continue during the new financial year.

The year has seen a further strengthening of the regional scheme and a heightened Society presence at amateur radio events throughout the country. The Society's membership has stabilised over the second half of the year and is currently showing a modest growth. Amateur radio clubs and related societies are reporting a renewed interest in their activities. The Society's membership on the 30 June 2003 stood at 24,460 compared to 24,627 at the start of the year.

The Society's demonstration vehicle GB4FUN has carried out a full programme of visits to schools and other public events.

In July 2002 your Board approved the setting up of the Radio Communications Foundation. This is an independent charitable trust the aims and objectives of which is to support the educational work of the Society.

Throughout the year extensive refurbishment work has been undertaken at Lambda House, the Society's Headquarters in Potters Bar. This has included repairs to the structure of the building, to the roof and the replacement of windows. Refurbishment and redecoration to the interior of the building will be undertaken during the course of the next financial year.

The Society continues to have a good working relationship with the Radiocommunications Agency and is establishing strong ties with the new telecommunications authority OFCOM.

### **Financial Report**

The financial result for the year, after non-recurring items and interest income, was a surplus of £1,474 compared with a surplus of £8,414 in the previous year. The financial outturn has been affected by the costs of two major projects referred to above.

The first was essential repairs and renewals at the headquarters building incurring a cost of £47,000. The second involved the out-sourcing of the Radcom preparation and design, and the selling of advertising space in the Society's publications which incurred re-organisation costs of £15,000. There was an increase in professional fees over the prior year associated with the re-organisation.

Subscription income benefited from the second year effect of last year's increase, together with a smaller reduction in membership than has been the case in prior years.

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

### **Financial Report** *(continued)*

Book income decreased partly due to the cessation of selling digital tuners, a high value product low margin item. Efforts continue to develop this area including the continued search for new book titles.

A full year of income and costs for the Foundation Licence is included in the financial year. More work is being undertaken on the Intermediate and Full Licence examinations and costs will continue to be closely monitored.

The Society always plans for a break-even position which, despite budget contingencies, can be affected by non-recurring items. For the year to 30 June 2004 this objective continues.

### **Outlook**

WRC03 completed its work in June 2003. A number of key decisions made at the conference will have a fairly dramatic effect on the future of the hobby world wide. Not least the removal of the mandatory requirement to hold a Morse qualification to gain access to the amateur bands below 30MHz. The Society will be working hard to ensure that the changes are introduced in a timely manner to benefit the amateur community in the UK.

Three years after its introduction the Board and Regional Council will carry out a review of the regional scheme to ensure that the structure is in place to provide a wide range of support to the membership. The Board will also review the Society's committees with a view to rationalise and modernise the structure to meet the demands of the advancement in technology and the changes in the licensing regime.

The second half of 2003 sees some key dates in the Society's history. The 90<sup>th</sup> Anniversary of the founding of the RSGB and the 50<sup>th</sup> Anniversary of the setting up of Radio Amateurs Emergency Network (Raynet), a number of events are planned to celebrate and promote the work of the Society.

From January 2004 the Society will be responsible for all amateur radio examinations. This presents an opportunity for the strengthening of the ties between the Society and the education establishment with a view to introducing the new Radio Communications examination into the national curriculum and aligning the new examinations with a national vocational qualification.

Two promotional videos have been commissioned; the first is designed to promote amateur radio to the general public and the second to promote the work of the Society to the amateur radio community at large. The films will be launched in the autumn of 2003.

The Society will continue to support the work of the IARU and play a full role within that organisation in the administration and support of amateur radio.

The threat of the introduction of Power Line Telecommunications systems still gives rise for concern and the Society continues to be pro-active in promoting awareness of the threat to users of the radio spectrum, which includes government, manufacturers, service providers and the general public.

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

### **Personnel**

The Society maintains a headquarters establishment of 24 salaried staff. The Society is an equal opportunities employer and gives full and fair consideration to employment applications from disabled persons.

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

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

## Report of the Board *(continued)*

### Board and Regional Council Members from 1 July 2002 to 30 June 2003

President	Dr R C Whelan	G3PJT
Hon. Treasurer	K Ashcroft	G3MSW

#### Board of Directors

G L Adams	G3LEQ	
E Cabban	GW0ETU	
R Constantine	G3UGF	
G W Dover	G4AFJ	Retired 31 December 2002
F Handscombe	G4BWP	
D Hicks	G6IFA	From 1 January 2003
R M Page-Jones	G3JWI	
J D Smith	MI0AEX	
E Taylor	G3SQX	

#### Regional Council

R S Atterbury	G4NQH	Co-opted until 31 December 2002
P Berkley	M0CJX	Co-opted until 31 December 2003
E Cabban	GW0ETU	
R Clarke	M0RLY	Co-opted until 31 December 2002. Elected from 1 January 2003
G Darby	G7GJU	
G Hunter	GM3ULP	Co-opted until 31 December 2002. Elected from 1 January 2003
W Jenkins	MM0WKJ	Co-opted. Resigned November 2002
B Llewellyn	G4DEZ	Co-opted until 31 December 2002. Elected from 1 January 2003
S Lloyd-Hughes	GW0NVN	Resigned 1 January 2003
R Piper	G3MEH	Co-opted until 31 December 2002
R Ricketts	GW7AGG	Co-opted until 31 December 2003
I Rosevear	G3GKC	Co-opted until 31 December 2003
M Salmon	G3XVV	
B Scarisbrick	G4ACK	
JD Smith	MI0AEX	
P Thompson	GM1XEA	Co-opted until 31 December 2003
K Wilson	M1CNY	

#### Political and charitable contributions

The Society made no political or charitable donations during the year (2002: £nil).

#### Annual General Meeting

The 77th Annual General Meeting of the Society will be held at University of Wolverhampton, the Shropshire University Campus, Priorlee, Telford on the 6 December 2003, commencing at 12 noon.

## Report of the Board *(continued)*

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Lambda House  
Cranborne Road  
Potters Bar  
Herts  
EN6 3JE



Dr RC Whelan, BSc MSc PhD  
*Chairman*

27 September 2003

## **Statement of directors' responsibilities**

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

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

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



## KPMG LLP

Aquis Court  
31 Fishpool Street  
St Albans  
AL3 4RF

### **Independent auditors' report to the members of the Radio Society of Great Britain (A company limited by guarantee)**

We have audited the financial statements on pages 8 to 18.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

*The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, 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 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Society is not disclosed.

#### **Basis of audit opinion**

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

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



**Independent auditors' report to the members of the Radio Society of Great Britain  
(A company limited by guarantee) (continued)**

**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 2003 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*(Gm Lm)*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*9 October 2003*

**Income and expenditure account**  
*for the year ended 30 June 2003*

	<i>Note</i>	<b>2003</b> <b>£000</b>	<b>2002</b> <b>£000</b>
<b>Gross income from all sources</b>	<b>3</b>	<b>1,543</b>	<b>1,547</b>
Direct costs (cost of books and products sold)		<b>(162)</b>	<b>(197)</b>
<b>Gross surplus</b>		<b>1,381</b>	<b>1,350</b>
<b>Administrative expenses:</b>			
Sales and distribution expenses		<b>(236)</b>	<b>(258)</b>
Other operating expenses		<b>(1,161)</b>	<b>(1,101)</b>
<b>Operating deficit</b>		<b>(16)</b>	<b>(9)</b>
Other interest receivable and similar income	<b>6</b>	<b>17</b>	<b>17</b>
<b>Surplus on ordinary activities before taxation</b>	<b>4</b>	<b>1</b>	<b>8</b>
Tax on surplus on ordinary activities	<b>7</b>	<b>-</b>	<b>-</b>
<b>Retained surplus for the financial year</b>	<b>11</b>	<b>1</b>	<b>8</b>

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

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


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

## Balance sheet

at 30 June 2003

	Note	2003 £000	2002 £000
<b>Fixed assets</b>			
Tangible assets	8	547	513
<b>Current assets</b>			
Stocks	9	89	86
Trade debtors		35	62
Other debtors		3	-
Prepayments and accrued income		136	64
Cash at bank and in hand		430	430
		<u>693</u>	<u>642</u>
<b>Creditors: amounts falling due within one year</b>			
Obligations under finance leases	10	(11)	(10)
Trade creditors		(131)	(57)
Taxation and social security		(12)	(17)
Other creditors		(369)	(393)
Accruals and deferred income		(141)	(127)
		<u>(664)</u>	<u>(604)</u>
<b>Net current assets</b>		<u>29</u>	<u>38</u>
<b>Total assets less current liabilities</b>		<u>576</u>	<u>551</u>
<b>Creditors: amounts falling due after more than one year</b>			
Obligations under finance leases	10	(9)	(1)
<b>Net assets</b>		<u><u>567</u></u>	<u><u>550</u></u>
<b>Capital and reserves</b>			
Income and expenditure account	11	371	370
Restricted funds	11	24	8
Revaluation reserve	11	172	172
<b>Members' funds</b>		<u><u>567</u></u>	<u><u>550</u></u>

These financial statements were approved by the Board on 27 September 2003 and signed on its behalf by:

  
 Dr RC Whelan BSc MSc PhD  
 President

  
 K Ashcroft FCA FCMA  
 Treasurer

## Notes

*(forming part of the financial statements)*

### 1 Status

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

### 2 Accounting policies

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

#### *Basis of preparation*

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

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

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

#### *Fixed assets and depreciation*

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

Freehold buildings	2%
Computer hardware and purchased software	20-33%
Fixtures and fittings	10%
Furniture and equipment	20-25%
Leased assets (Motor vehicles)	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. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

## Notes (continued)

### 2 Accounting policies (continued)

#### Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

#### 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

	2003 £000	2002 £000
Subscription income	867	864
Radcom advertising income	176	177
Book sales	312	354
Other income	188	152
	<hr/> 1,543 <hr/>	<hr/> 1,547 <hr/>

	2003 £000	2002 £000
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Other income comprises the following:

Morse tests	9	18
Novice licence	-	10
Rallies and exhibition fees	19	20
Foundation licence	54	27
Intermediate Licence	16	-
Repeaters	22	25
Mailbox agreement	23	22
Special event callsigns	5	5
Newsletters	2	2
Sundry income	38	23
	<hr/> 188 <hr/>	<hr/> 152 <hr/>

## Notes (continued)

### 4 Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging:

	2003 £000	2002 £000
Auditors' remuneration:		
Audit	10	9
Other services	2	8
Depreciation and other amounts written off tangible fixed assets:		
Owned assets	26	28
Assets held under finance leases	16	17
	<hr/>	<hr/>
	2003 £000	2002 £000
Board and Committee expenses:		
Board expenses	13	11
Committee expenses	16	22
Other expenses	13	12
	<hr/>	<hr/>
Total Board and Committee expenses	42	45
	<hr/>	<hr/>

### 5 Information regarding employees and directors

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

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

	Number 2003	of employees 2002
Headquarters staff	24	24
	<hr/>	<hr/>
The aggregate of payroll costs of these persons were as follows:		
	2003 £000	2002 £000
Wages and salaries	469	458
Social security costs	42	40
Other pension costs (see note 13)	15	16
	<hr/>	<hr/>
	526	514
	<hr/>	<hr/>

**Notes (continued)**

**6 Other interest receivable and similar income**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
Bank deposit interest	<b>17</b>	<b>17</b>

**7 Tax on surplus on ordinary activities**

	<b>2003</b>	<b>2002</b>
	<b>£000</b>	<b>£000</b>
UK corporation tax	<b>-</b>	<b>-</b>

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

The amounts that are not provided for deferred taxation are set below:

	<b>2003</b>	<b>2002</b>
	<b>Unprovided</b>	<b>Unprovided</b>
	<b>(Asset)/liability</b>	<b>(Asset)/Liability</b>
	<b>£000</b>	<b>£000</b>
Difference between accumulated depreciation and amortisation and capital allowances	<b>9</b>	<b>-</b>
Tax losses	<b>(657)</b>	<b>(560)</b>
	<b>(648)</b>	<b>(560)</b>

No deferred tax asset has been recognised as the business is not expected to provide sufficient profits to utilise the tax losses.

## Notes (continued)

### 8 Tangible fixed assets

	Freehold land and buildings £000	Computer equipment £000	Fixtures and fittings £000	Furniture and equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation:</b>						
At beginning of year	490	210	66	119	47	932
Additions	-	15	34	-	27	76
Disposals	-	-	-	-	(28)	(28)
At end of year	490	225	100	119	46	980
<b>Depreciation:</b>						
At beginning of year	26	199	51	108	35	419
Provided during the year	8	10	4	4	16	42
Disposals	-	-	-	-	(28)	(28)
At end of year	34	209	55	112	23	433
<b>Net book value:</b>						
30 June 2003	456	16	45	7	23	547
30 June 2002	464	11	15	11	12	513

Freehold land included above and not depreciated amounts to £207,000 (2002: £207,000).

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

	2003 £000	2002 £000
Cost of revalued assets	422	422
Aggregate depreciation thereon	(51)	(49)
Historical cost net book value	371	373

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.

The directors are not aware of any material changes in value and therefore the valuations set out above have not been updated. A full valuation will be carried out in the next financial year.

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



## Notes (continued)

### 9 Stocks

	2003 £000	2002 £000
Consumable stock	4	1
Work in progress	3	-
Goods held for resale	82	85
	<u>89</u>	<u>86</u>

### 10 Obligations under finance leases

	2003 £000	2002 £000
Gross obligations under finance leases	23	13
Less: finance charges allocated to future periods	(3)	(2)
	<u>20</u>	<u>11</u>
Due within one year	11	10
Due within the second to fifth years inclusive	9	1
	<u>20</u>	<u>11</u>

### 11 Reconciliation of movements in members' funds

	Restricted funds £000	Income and expenditure account £000	Revaluation reserve £000
Opening members' funds	8	370	172
Surplus for the financial year	16	1	-
	<u>24</u>	<u>371</u>	<u>172</u>

### 12 Commitments

There were no un-provided capital commitments at the end of the financial year (2002: £ nil).

## Notes *(continued)*

### 13 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charged for the year represents contributions payable by the company to the scheme and amounted to £14,541 (2002: £15,757). There were no outstanding contributions at the year end (2002: *£nil*).

## Restricted funds

*for the year ended 30 June 2003*

	2003 £	2002 £
<b>The J Fraser Shepherd Prize Fund</b>		
£506.62 - 3.5% War Loan Stock	200	200
Cash at Bank	783	758
	<hr/>	<hr/>
	983	958
	<hr/>	<hr/>
Accumulated Fund		
At start of year	958	933
Interest credited for the year	25	25
Prize awarded during year	-	-
	<hr/>	<hr/>
At end of year	983	958
	<hr/>	<hr/>
<b>DXpedition Fund</b>		
Cash at bank	2,010	1,325
	<hr/>	<hr/>
Accumulated Fund		
At start of year	1,325	866
Interest received for the year	20	7
Legacy	1,665	1,102
Sponsorship	(1,000)	(650)
	<hr/>	<hr/>
At end of year	2,010	1,325
	<hr/>	<hr/>
<b>K M Bennett Legacy Fund</b>		
Cash at bank	944	1,018
	<hr/>	<hr/>
Accumulated Fund		
At start of year	1,018	1,013
Interest received for the year	4	5
Prize awarded during year	(78)	-
	<hr/>	<hr/>
At end of year	944	1,018
	<hr/>	<hr/>
<b>Radio Communications Foundation</b>		
Cash at bank	20,096	4,756
	<hr/>	<hr/>
Accumulated Fund		
At start of year	4,756	-
Donations received for the year	15,340	4,756
	<hr/>	<hr/>
At end of year	20,096	4,756
	<hr/>	<hr/>
<b>Total restricted funds</b>	<b>24,033</b>	<b>8,057</b>
	<hr/>	<hr/>

## Trust funds

*for the year ended 30 June 2003*

	2003 £	2002 £
<b>The Pilot Officer Norman Keith Adams Prize Fund</b>		
£740 - 3.5% War Loan Stock	200	200
Cash at bank	738	705
	<hr/>	<hr/>
	938	905
	<hr/>	<hr/>
Accumulated Fund		
At start of year	905	872
Interest credited for the year	33	33
	<hr/>	<hr/>
At end of year	938	905
	<hr/>	<hr/>
<b>The Legacy Fund</b>		
Cash at bank	12,185	11,884
	<hr/>	<hr/>
Accumulated Fund		
At start of year	11,884	11,689
Legacy received during the year	200	100
Interest received for the year	101	95
Sponsorship	-	-
	<hr/>	<hr/>
At end of year	12,185	11,884
	<hr/>	<hr/>
<b>Total trust funds</b>	<b>13,123</b>	<b>12,789</b>
	<hr/>	<hr/>