



**ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS
TRUSTEES ANNUAL REPORT 2015-2016**

Message from the chair and CEO (2015-2016)

Over the past year, we have begun to implement our 2015-2018 strategic plan (see section below), which aims to support better lives for people with communication and swallowing needs. By promoting excellence and improvements within the speech and language therapy profession we have:

- Supported the development of quality services
- Promoted patient safety
- Supported improved outcomes for service users and their families
- Represented the voice of people with swallowing and communication needs in parliaments and assemblies

We have also made great strides in influencing policy across the UK. For example, we successfully campaigned during the run up to the 2015 UK General Election, and the manifestos of all of the leading political parties in England reflected our manifesto asks. We have also shaped landmark legislation in the devolved nations, which has made a direct difference to the lives of people with speech, language and communication needs (SLCN). For example, the Children and Young People's Act in Scotland now mandates that the whole children's workforce must develop the skills to identify and support children with SLCN.

One of the most powerful activities we undertook during the year was the "My Journey My Voice" exhibition in Belfast. This photography and sound exhibition, initially at Stormont, shared the poignant stories of people with communication disabilities and helped raise awareness about a section of the population that is often not heard.

We have been both reactive and proactive in responding to national policy developments and supporting the needs of people with swallowing difficulties. In response to patient deaths through choking incidents, we worked in partnership with NHS England to deliver a multi-agency symposium. Symposium members are now working to develop action plans to address key areas of concern to improve outcomes for patients with eating, drinking and swallowing difficulties.

We have also continued to promote best practice within the profession to enable RCSLT members to deliver high-quality care. We have developed a range of guidance and position papers to support practice in relation to specific clinical conditions, such as dementia, and have also outlined the

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RCSLT's position on topical issues, such as inclusive communication and the implementation of the SEND reforms in England. Our revised clinical webpages continue to help keep members up to date with the latest research and emerging evidence in new areas.

When developing our professional practice guidance (CQ Live), which supports members to put into practice the standards set by the regulator, we recognised that our previous methods for engaging members impacted on the time of delivery and breadth of engagement we could achieve. As a result, we have harnessed the use of technology through crowdsourcing (the first of any UK professional body to do so). This enabled us to engage almost 2,000 members and gather 10,000 individual contributions to inform the project.

Our work in developing strong partnerships at national and international levels through our networks in the UK and across Europe has been critical in supporting the profession in delivering evidence-based services and engage in research. As part of the International Communication Project we have continued to work with our colleagues at a global level to identify how we can work together to promote the rights of people with communication difficulties.

Despite our achievements, we have continued to face several challenges, including ongoing pressures on NHS speech and language therapy services and cuts in local support available to people with SLCN. A national drive to deliver efficiency savings has caused us to think creatively about how speech and language therapy services are delivered, and how these can be redesigned to better meet service users' needs.

We will continue to drive improvements within the profession, and promote evidence-based practice and the evaluation of interventions. We also intend to build on our ground-breaking proof of concept pilot to develop an online outcome measure tool and further develop work on our UK-wide outcomes project.

The core RCSLT staff, numbering less than 40, would not be able to achieve this impressive record without the input of RCSLT members. In all the roles they perform, either on the Board of Trustees, formal committees or informal working groups, they provide vital energy, expertise and assistance to further the work of the profession for the benefit of the people that use our services.

The RCSLT Strategic Plan 2015- 2018

The RCSLT trustees are always mindful of our charitable purposes, which are stated in the Articles of Association as "to promote for the public benefit the art and science of speech and language therapy, meaning the care for individuals with communication, swallowing, eating and drinking difficulties".

We translate this into our mission and vision statements:

- **Mission statement** Better lives for people with communication and swallowing needs
- **Vision statement** To be the professional body that promotes excellence and supports speech and language therapy

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In order to carry out these high level aims, this year the RCSLT Board of Trustees approved a new three-year strategic plan. We looked ahead for what we think are the important issues coming up that will affect speech and language therapy provision, and combined those with the vast amount of work continuing from the previous strategic plan.

We strive to place our service users at the centre of everything we do. In considering our strategic aims for the next few years, we came up with six focus areas, each of which are subdivided into more discrete areas of work (table one). These aims will enable the RCSLT to fulfil its legal purposes.

Table one: The RCSLT's focus areas 2015-2018

| | |
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| Development of quality services | <ol style="list-style-type: none"> 1. Promote the highest standards of professional conduct and practice 2. Support members to critically evaluate, promote and improve their services 3. Promote the use of outcomes measures throughout the profession 4. Build the research capacity of the profession create opportunities for research at national and international levels 5. Support members to use and contribute to evidence based practice in the delivery of interventions and the design of service models 6. Support members to take advantage of all resources, including technology |
| Leadership and resilience | <ol style="list-style-type: none"> 1. Support speech and language therapists to become leaders 2. Promote the development of resilience in speech and language therapy communities 3. Support members to develop robust business skills |
| Workforce | <ol style="list-style-type: none"> 1. Become an intelligence resource regarding workforce trends to influence and inform national and local workforce planning 2. Seek to ensure that pre-registration and post-registration training is relevant and responsive to the changing environment 3. Harness and disseminate innovations linked to workforce transformation 4. Support members throughout their careers to develop their knowledge and skills to meet the needs of their service users and regulatory requirements |
| People and communities | <ol style="list-style-type: none"> 1. Build and lead positive relationships with people, communities and representative organisations 2. Promote engagement through inclusive communication |
| The wider policy context | <ol style="list-style-type: none"> 1. Support and empower our members in becoming influential 2. Influence at a national level, taking people, communities and members voices to the heart of parliaments, assemblies and governments 3. Develop our broader evidence and resources to underpin our influencing |

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| | 4 Respond effectively and develop proactive positions across a range of policy areas |
| To be an organisation that members are proud of | <ol style="list-style-type: none"> 1 Enhance our communication and its relevance with and between members 2 Promote the RCSLT as the trusted go-to authority on matters relating to speech and language therapy in the UK 3 Develop and promote the member offer so members feel the RCSLT is value for money 4 Be a diverse, progressive and dynamic organisation 5 Ensure the governance of the RCSLT is sound and in accordance with the law and best practice 6 Ensure the finances of the RCSLT are sound and that they are managed in the most efficient manner possible |

During the past year, we have embraced the challenging objectives of the new strategic plan and turned these high-level objectives into both shorter-term projects to support members and service users, and also to ensure that 'routine' work is carried out as efficiently and effectively as possible. Our operations fall within two main areas.

- Supporting high-quality services to members to promote positive outcomes for people with speech, language and communication difficulties
- Influencing policy and information in support of end users.

Supporting high-quality services to members to promote best outcomes for service users

Focus area: Development of quality services

Supporting research and evidence-based practice

The RCSLT has taken opportunities to communicate the evidence base, influence and support the development of research. The profession relies on the evidence base to inform practice, where there are gaps, the RCSLT has been seeking to define research priorities by engaging with the profession, surveying members and exploring methodology in collaboration with others. More than 1,000 members responded to our survey about the challenges and opportunities members are facing in delivering evidence-based care and collecting evidence.

We created a new online clinical resources area, which covers 25 clinical topics (for example, adult respiratory care, dementia, autism and specific language impairment). Each topic includes information on key terminology, a summary of the role of the speech and language therapist (SLT), prevalence and incidence statistics, national policy context, guidance, supporting resources and useful contacts. We also launched a monthly twitter journal club in collaboration to harness the power of social media to facilitate discussion, collaboration, support and mentorship to promote evidence-based practice.

The RCSLT's online Research Centre provides access to 1,700 journals, a bi-monthly research newsletter, research funding news and clinical academic funding databases and details of the RCSLT Research Champion Network.

Evidencing the impact of speech and language therapy in delivering outcomes

In response to the growing need for SLTs to evidence their impact, the RCSLT has developed two projects to facilitate the collection of outcome data

- **The Outcomes Project** is developing a national database that can collect and collate Therapy Outcome Measures (TOMs) data. A proof of concept pilot is underway for the use of an online tool to collect TOMs data and generate data reports. The pilot will be evaluated independently, following which the potential for roll-out more widely within the profession will be explored
- **The Speech, Language and Communication Needs (SLCN) Outcome Project**, funded by the Department for Education, has developed a proof of concept for an online tool for all practitioners who support children and young people with SLCN. The tool provides a framework for practitioners across education, health and care to facilitate communication, share information, monitor progress and measure outcomes

Supporting SLTs in their professional practice

During 2015-2016, the RCSLT developed Communicating Quality Live. This online guidance aims to support members to meet the standards set by the regulator, the Health and Care Professions Council, and is structured around 10 key areas of practice, as well as highlighting issues such as the use of social media, information governance and supervision. Additional information in the coming year will include management of risk, safeguarding, delegation to assistants, public health, leadership and resilience. We have also developed guidance to support members as a result of the special educational needs and disability reforms in England.

Specialist speech and language therapy services

We have been supporting members responding to commissioning challenges for clinical areas that are of high-need but low incidence, such as in neonatal care, gender dysphoria and deafness/hearing impairment. The RCSLT has worked with the National Deaf Children's Society to develop draft guidance for the commissioning of highly-specialist speech and language therapy services. Once this guidance is evaluated and finalised, the next stage will be to identify other high-need, low-incidence conditions that could benefit.

Dysphagia

In response to an incident in which a care home resident died following the accidental ingestion of thickening powder, the NHS England Patient Safety Domain and RCSLT agreed to work together to develop a more proactive approach to improve safety and outcomes for people with dysphagia. The RCSLT and NHS England co-hosted a dysphagia symposium to develop a system-wide approach across professions and providers. Following the symposium, we have supported the establishment of four task-and-finish groups to devise and implement action plans to address the key themes identified. This work will continue throughout 2016, and will inform an approach across the UK. The RCSLT is also working with NHS England and other stakeholders to explore whether the UK should adopt the International Dysphagia Diet Standardisation Initiative dysphagia framework.

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| To maintain free reserves which represent 12 months of anticipated operating costs | Achieved 16.2 months of anticipated operating costs (2015 16.6 months) |
| Maintain minimum cash days in hand of 30 days expenses (or 1.5x the monthly average outgoings) | 265 days (2015 212 cash days in hand) Cash in hand includes monies held in instant access deposit accounts Excluding these balances cash days in hand would be 91 days (2015 64 days) <i>(Note this is a snapshot as at balance sheet date – throughout the FY, 30 days or more cash was kept in hand)</i> |

Financial performance for the year

The financial position for the year ended 31 March 2016 was a consolidated net income before revaluation of the property of £68,000 (2014-2015 net income £47,000)

The RCSLT had income of £4.1 million in 2015-2016, an increase of 5% on the income of £3.9 million in 2014-2015

Membership income of £3.1 million (2014-2015 £2.9 million) is the principal funding source for the charity accounting for 76% of total income. Average membership numbers for the year increased by 2.6%. This income is used to support the core activities of the charity. Additional income is earned from commercial activities and investments and this is used to fund major projects.

The Charity also received grant income of £0.1 million from the Department of Education in England to fund the SEND Outcomes Project.

Expenditure in 2015-2016 amounted to £3.8 million, a reduction of 5% on expenditure of £4.0 million in 2014-2015. The decrease is attributable to a number of factors including reduced commercial activity on 'The Box', reduced staffing and associated costs, lower spend on the IT development project and reduced irrecoverable VAT associated with the reductions in both revenue and capital spend.

Financial Position at 31 March 2016

At 31 March 2016, the RCSLT has net assets of £9.8 million, an increase of £2.8 million from the position at 31 March 2015.

Fixed assets have increased from £2.4 million to £5.0 million following the revaluation of the London freehold property reflecting the strong growth in demand in the redeveloped London Bridge area.

Investments have fallen by £0.2 million, reflecting the economic uncertainties arising from the forthcoming EU referendum of UK membership of the European Union, falling oil prices and reduced growth forecasts in China.

Cash balances have risen by £0.4 million reflecting the increased surplus before investment movements.

Focus area: Leadership and resilience

This area encompasses the development of a range of skills including influencing, business and entrepreneurial skills, clinical knowledge and decision making skills

Curation and publication of existing resources

The RCSLT carried out a gap analysis of leadership resources across all four UK nations. This highlighted the significant resources already available. We have curated the resources and will publish them in a new leadership section on the RCSLT website.

Future work on leadership

The RCSLT will work with members interested in becoming leaders in their fields, including clinicians, academic, consultants, RCSLT board representatives, national influencers and clinical advisers. We will highlight role models through social media and the RCSLT Bulletin magazine. We will also continue to develop guidance and materials for members who are facing cuts to services, to strengthen their local influencing abilities.

Developing our networks

We have continued to support and develop our 14 hub networks of members in the regions and nations and we are also supporting the development of more than 100 clinical excellence networks.

Focus area: Workforce transformation

Workforce planning describes the process of ensuring that we have SLTs in the right numbers, with the right skills and right values and behaviours to provide high-quality care. Workforce planning is a multi-faceted issue that links to a range of topics including:

- Education and training: the undergraduate/postgraduate curriculum, continuous professional development, standards and competencies
- Working practices: the sectors SLTs work in, scope of practice (opportunities for SLTs to take on extended roles), patient safety and safe staffing, and skills mix (the range and types of levels of ability needed to deliver quality care)

Over the period 2015-2016, the speech and language therapy profession has faced unprecedented challenges and new policy changes. In response, we have undertaken a proactive work programme.

Workforce transformation

RCSLT members are increasingly being called upon to work in new and different ways, for example, due to economic pressures (as part of the ongoing drive to deliver efficiency savings amongst health services) or as a consequence of new initiatives, such as the emphasis upon multidisciplinary working. The RCSLT launched a workforce transformation challenge via the RCSLT Hubs. We are asking members to share examples of emerging practice that best meets the needs of patients both now and in the future.

Focus area: To be an organisation that members are proud of

The RCSLT continues to develop a range of resources and CPD activities to support members in their professional careers and actively engages with members to listen and develop further the membership offer

Communication

During 2015-2016, we continued to enhance our communication and relevance with and between members, and cemented our position as the trusted 'go-to' authority on matters relating to speech and language therapy in the UK. In the summer of 2015, nearly 2,000 members took part in online workshops to inform the development of Communicating Quality Live – a set of RCSLT guidance and resources to support all members to deliver high-quality services wherever they work. We received nearly 10,000 suggestions from the workshops. Communicating Quality Live went 'live' online in March 2016.

In light of our 2014 member survey, which established benchmark measures for member satisfaction and perceptions of value for money, we undertook an internal communication audit in late 2015. This examined the degree to which the RCSLT engages with members and made recommendations in terms of the scheduling of e-communications, the provision of regional information in the form of country-specific and RCSLT Hub news, and the reinforcement of information about member services, resources and other online information via the RCSLT Bulletin magazine and member renewals process.

Events

We also ran a varied programme of events and webinars and supported members with the management of RCSLT Hub events across the UK. With robust learning objectives, the events provided numerous CPD opportunities for members and the chance to hear about new research and innovations. The autumn RCSLT study day focused on technology and providing delegates with opportunities to share their experiences and to network with colleagues.

The RCSLT's series of higher education roadshows proved popular and provided the opportunity for first and final year students to hear about the wide range of resources available to RCSLT members throughout their careers. Seventeen percent of non-members who attended the roadshows went on to become members of the RCSLT.

The RCSLT's Voice Box joke competitions for children in mainstream and special schools again raised awareness of the fun and importance of communication and the work of the speech and language therapy profession. Schools across the UK held joke competitions involving hundreds of children. Separate finals took place at the Westminster Parliament and Stormont – raising the profile of the profession with parliamentarians, who attended to support the finalists.

Governance developments

As part of the continual improvement of the organisation, we have followed up the 2014 RCSLT governance review by carrying out further board and committee development. We

will continue this with a further review of the effectiveness of the new governance structure in 2016-2017

Influencing policy and information

Focus area: People and communities

The RCSLT has sought to recognise and improve the importance of work with users of speech and language therapy services and the organisations that represent them. Building on a first service user engagement event and planning for a second, the area has been given priority and focus in the organisation's strategic plan. We are taking forward action on culture change, joint influencing, and equality of access to services.

We have undertaken joint activity with, amongst others, The Communication Trust, Save the Children, the Dementia Action Alliance, Parkinson's UK and Disability Action. We have also drafted a position on inclusive communication and will be campaigning in this area in the period ahead

Focus area: The wider policy context

The RCSLT Policy and Public Affairs Team has developed a suite of factsheets for members to support local influencing activity. These include the links between SLCN and social disadvantage, legislation regarding special educational needs support in England, and the role of SLTs in reducing pressures on urgent and emergency care. We have also begun work on a return on investment pilot study examining the value of speech and language therapy support that will inform a UK-wide economic evaluation project. Our work in supporting members includes providing advice and guidance ahead of meetings with politicians. We have influenced directly at a UK-wide level, taking people, communities, and members' voices to the heart of Westminster and Whitehall. Examples include:

- A mailing to all parliamentarians following the 2015 UK General Election with material about how speech and language therapy transforms lives
- The continued provision of the secretariat for the All-Party Parliamentary Group on Speech and Language Difficulties
- Meetings with ministers from a range of departments, as well as with opposition spokespeople and backbenchers
- Submissions to a range of select committee inquiries, including on transgender equality and how young people can be supported in the transition from school to work
- Producing briefings for parliamentary debates on dementia, stroke and the Education and Adoption Bill
- Successfully influencing the guidance to the Health and Social Care (Safety and Quality) Act to ensure commissioners and providers of adult health and care services share details of an individual's speech, language and communication needs where this will facilitate their care
- Influencing National Institute of Health and Clinical Excellence guidance in respect of care visits and dementia.

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Across the UK, we influenced the Mental Capacity (Northern Ireland) Bill; guidance on the Children and Young People (Scotland) Act and new legislation on the right to assisted and augmentative communication and early years language guidance in Wales. In Northern Ireland, the "My Journey My voice" project took the photographic portraits and audio stories of nine people with communication disability and their therapists from Stormont across the country, promoting engagement through inclusive communication and working in partnership.

Data collection/monitoring and understanding workforce trends

Due to wider government policy, particularly in England, with a plurality of service providers, SLTs are increasingly employed outside the NHS, for example in schools, the justice sector, private practice and the voluntary sector. The RCSLT is developing more robust data collection and analysis methods to help us monitor trends, inform decision makers and tailor our support to members.

During 2015-2016, we worked in partnership with University College London to undertake a scoping project on behalf of Health Education North Central and East London, regarding the speech and language therapy workforce in London. This has helped to inform their education, training and workforce planning.

Future education and training of the speech and language therapy workforce

Significant reforms are taking place to student funding in England. The replacement of NHS bursaries with student loans has far-reaching implications for both pre-registration education, workforce planning and the profession more widely. We have responded to the Government's consultation on student funding reforms and worked closely with RCSLT members in health education institutions and key stakeholders, such as the Council of Deans and other allied health professional bodies.

Risk and finances

Risk statement

The major risks to which the charity is exposed are contained in a separate risk register. The RCSLT Board has undertaken a thorough review of the risk register in the reported financial year, particularly to ensure risks associated with time-limited project work required by the strategic plan are captured and reviewed in a separate 'transient risks' register. Table two summarises the high-level risks to the organisation:

Table two: High-level risks to the RCSLT

| Risk | Mitigation |
|--|---|
| Digital Strategy – a key project that will develop the RCSLT's overall IT offering to directly support members in their professional lives | This is a large-scale project that impacts on the services the RCSLT can offer its members. It has its own governance committee, on which trustees are represented, together with key senior staff and external experts. This committee meets monthly, reviews the project's comprehensive risk register and reports to the RCSLT Board. |
| Workforce – the RCSLT not effectively engaging with policy makers and members, higher education institutions and others to mitigate risks and take advantage of opportunities arising from student funding reforms in England, wider workforce planning and workforce transformation agendas | The RCSLT launched a workforce transformation challenge via the RCSLT Hubs. We are asking members to share examples of emerging practice that best meet the needs of patients both now and in the future. The RCSLT is developing more robust data collection and analysis methods to help us monitor trends, inform decision makers and tailor support to members. We are building new networks and strengthening stakeholder engagement to inform the work. |
| Outcome measures – members do not use effective outcome measures, emerging evidence and evidence-based practice to influence | The Outcomes Project is developing an online 'proof of concept' tool that can collate Therapy Outcome Measures data. Separately, and funded by the Department for Education in England, the RCSLT has developed a proof of concept for an online tool for all practitioners who support children and young people with speech, language and communication needs. Both tools are in the pilot stage. |

The RCSLT senior management team reviews the risk register quarterly and as necessary, as part of the management of time-limited projects. The Finance and Resources Committee further reviews the register at their quarterly meetings and the Board reviews and signs off annually. The Board is satisfied that appropriate controls are in place to manage those risks.

Financial overview

The overall aim of RCSLT's financial strategy is to maintain a sound financial base to support the resourcing of the organisation and deliver its mission. Specifically, the aim is to maintain long-term financial viability in order to achieve the objectives in the strategic plan.

Table three shows the overarching financial objectives approved by the Board and performance against them in 2015-2016.

Table three: RCSLT overarching financial objectives approved by the Board and performance against them in 2015-2016

| Objective | Performance |
|--|--|
| To ensure the organisation has financial models that support strategic goals | There is a rigorous budget setting and monitoring process, and good management of investments. |
| That funds and reserves are invested prudently (low to medium risk) | Achieved. Ongoing monitoring of the portfolios by the investment adviser. Portfolios restructured in light of the revised investment strategy. |
| 70% of income to be generated from long-term sources | Membership subscription income – 76% (2015: 76%) |
| To achieve a ratio of fixed costs to long-term income of no greater than 1:1 | Fixed costs: Long-term income Achieved: 0.9:1.0 (2015: 1.0:1.0) |

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Cash balances have risen by £0.4 million reflecting the increased surplus before investment movements.

Reserves policy

The Board of Trustees has agreed an overall reserves policy encompassing restricted funds and unrestricted funds. Unrestricted funds are further divided into designated funds, revaluation reserve and general funds. Restricted funds represent those monies given to the charity for a particular purpose and were not available for the general purpose of the charity. Designated funds represent those funds set aside for major projects which do form part of the day-to-day activities of the charity. The revaluation reserve reflects the net gains on investments and freehold property. The balance will be reduced by any subsequent loss on investments and freehold property and the depreciation on freehold property attributable to the revalued amount.

The Board of Trustees has agreed a reserves policy whereby free reserves representing 12 months of anticipated operating costs must be held. Free reserves are those assets held in the form of cash or investments after taking account of any restricted or designated funds. The Board believes that in the event of a winding up of the charity the equivalent of 12 months of operating costs would be sufficient to allow the charity to meet its obligations to its members, staff and other creditors.

The level of reserves required is reviewed as part of the fee setting process and in the preparation of the annual budget. The required and forecast levels of reserves are submitted to the Board for approval via the Finance and Resources Committee (FRC).

The total charity reserves at 31 March 2016 were £9.8 million (2014-2015 £7.0 million) of which £0.1 million (2014-2015 £0.1 million) related to restricted funds and were not available for the general purpose of the charity. Note 17 of the accounts shows the various restricted funds or reserves by type and summarises the year's movements on each fund.

A further £0.9 million (2014-2015 £0.6 million) of reserves have been designated for key projects. Note 18 of the accounts shows the various funds or reserves by type and summarises the year's movements on each fund. It is expected that the majority of funds will be spent within the coming year with the exception of the IT development project, where £0.2 million is expected to be spent in 2017/18.

Unrestricted funds amounted to £8.8 million (2014-2015 £6.3 million). After taking account of fixed assets of £5.1 million (2014-2015 £2.4 million) the charity considers it has reserves of £3.7 million (2015 £3.9 million) which were considered to be free reserves (i.e. not earmarked for particular purposes or represented by fixed assets). The level of free reserves represents 16.2 months' (2014-2015 16.6 months) anticipated operating costs, exceeding the target of 12 months; these funds will enable the long-term funding of projects in line with the implementation of the strategic plan.

Investment policy and performance

In March 2015, the Board approved a new statement of investment principles and supporting investment policies. The overall aim is to generate a regular income of approximately 3% p.a. net of fees while preserving capital in real terms. The Board approved an ethical investment policy seeking constructive engagement with the corporate world with negative screening for investments in the tobacco, alcoholic drinks and armaments.

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industries. The investment portfolio is divided into three sub-components, comprising a short-term cash portfolio, a medium-term, low-volatility portfolio and a long-term growth portfolio. The overall risk profile is "cautious to balanced" although the individual sub-components vary in risk when viewed in isolation. Based on the assessment of long-term strategic plans, the Board approved the split of the overall portfolio between long-term growth £2.0 million, medium-term, low-volatility £1.0 million and the balance in cash.

At 1 April 2015, long-term investment funds totalling £3.1 million were held in two separate investment portfolios. These portfolios were managed by Rathbone Investment Management Limited ("Rathbone") and Waverton Investment Management Ltd ("Waverton"). The investment objectives for both these portfolios were similar and more closely aligned to the policies for the approved long-term growth portfolio. A detailed review of the two investment managers was carried out by the investment adviser and it was recommended that Waverton be retained to manage the long-term growth portfolio.

Following a tender exercise supported by the investment adviser, Standard Life Wealth Limited ("Standard Life Wealth") was selected as the investment manager for the medium-term, low-volatility portfolio. During August and September 2015, the Rathbone's portfolio was realised and the proceeds of £1.8 million transferred to the RCSLT. A sum of £1.0 million was invested with Standard Life Wealth in November 2015 and the balance of £0.8 million invested with Waverton in February 2016.

The Rathbone's investment portfolio, which started the year with £2.0 million, lost 6.6% in value by the time it was realised in the autumn of 2015 (2014-2015 gain 9.7%). The realised loss compares with a 5.8% decline in the value of the relevant performance benchmark, the FTSE WMA Balanced portfolio.

The Waverton portfolio, which started the year at £1.1 million, generated a positive total return of 1.0% (2014-2015 -8.0%). The target return for the portfolio is CPI plus 4%, i.e. 4.5% for the year ended 31 March 2016. The majority of the additional funds of £0.8 million have been retained as cash with only £0.3 million invested by 31 March 2016 reflecting the need for caution in view of continuing market volatility.

The Standard Life Wealth portfolio received an initial investment of £1.0 million. An overall loss of 4.2% was incurred since the start of November compared to a targeted return of consumer price index plus 3%, i.e. 3.5% for the year ended 31 March 2016. This loss reflects short-term market volatility, whereas SLW's strategy is to target consistent medium-term growth.

Governance structure

The Board of Trustees (the Board) is the highest governing body of the RCSLT. There are two subordinate governing committees: the Finance and Resources Committee (FRC) and Professional Practice and Policy Committee (PPPC), and the Honours Committee.

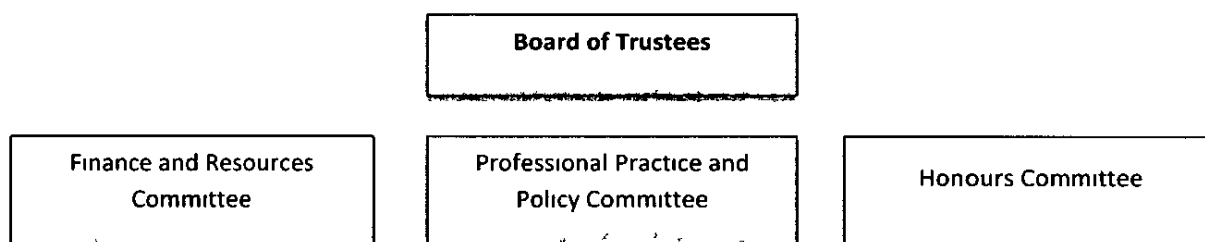
**ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS
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FOR THE YEAR ENDED 31 MARCH 2016**

In addition, Hub Forums, whose purpose is to engage with members in each UK country, advise the Board, but are not in themselves governing committees (See below for more details on committees and hubs)

The trustee's role is to ensure appropriate representation of the views of members at a strategic level on the Board of Trustees and to take account of the financial and business implications of any decisions they make. The trustees conduct regular horizon scanning, and have a comprehensive three-year strategic plan containing high-level objectives which is kept under regular review at each board meeting. The role of the chief executive and staff members is to implement these objectives.

The governance structure was reviewed in 2014 and will be reviewed again at the end of 2016 to examine its effectiveness and to make recommendations for any further changes.

The governance structure is shown below:



Board of trustees

Eleven trustees make up the Board. There is scope in the Articles for more trustees, although the Board's terms of reference allows for 12, and would need to be amended if it required more members. At its meeting in December 2015, the Board decided to increase its numbers by up to two more general trustees, to take account of the increasing workload of the Board. The Board has legal, financial and managerial responsibilities and provides leadership to influence the strategic direction of the profession. It considers issues of concern raised by the RCSLT membership and decides what action to take in response. The committees and hub forums report to the Board. The CEO and senior managers attend the board to provide input as necessary. The Board meets four times per year.

During FY 2015-2016, the board members were

Mrs Maria Luscombe – Chair
Mrs Morag Dorward – Deputy Chair
Mrs Lorna Bailey – Honorary Treasurer
Mrs Mary Heritage – Chair, PPPC
Mrs Anne Gamble – Country Representative for Northern Ireland
Mrs Catherine Dunnet – Country Representative for Scotland
Mrs Janet Harrison – Country Representative for England
Professor Vicky Joffe – Research Trustee
Professor Pam Enderby – General Trustee
Dr Della Money – General Trustee
Ms Nikki Richardson – Lay Member

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The following post was vacant during the year:
Country Representative for Wales

Appointment of members of the Board of Trustees

Nominations for trustees are sought by advertisement. Candidates are required to complete a skills matrix and have a telephone interview with the chair or deputy chair prior to being nominated, to ensure that candidates fully understand the role and responsibilities of a trustee prior to election/appointment. Nominees for deputy chair have a formal interview. The trustees' terms of office (with the exception of the chair/deputy chair) are three years, with the option to stand for re-election for a further three years. The chair/deputy chairs' terms of office are two years in each role. The Articles allow for an appointed honorary treasurer and other members as the Board of Trustees requires. The Articles also provide for co-opted lay members, with or without voting rights. In addition, the Articles require the approval of members at annual general meeting in the case of a trustee being appointed unopposed.

Trustees newly elected to the Board of Trustees during the period received a comprehensive induction pack, which contains reading material concerning both general trustee and governance issues provided by the Charity Commission and background material specific to the RCSLT. They are invited to attend a formal induction day at which they receive briefings on general governance matters. They are also normally invited to attend a Board of Trustees meeting as observers prior to them taking up their duties. Specific training is provided if required. Trustee development is a theme being carried forward by the Board of Trustees into 2016-2017.

Committee structure

Finance and Resources Committee (FRC)

The FRC is responsible to the Board for overseeing all matters of finance, investments, contracting and tendering, risk management, HR, IT, buildings and facilities, membership administration and Heritage work. It has delegated powers up to approved limits to commit expenditure, invest assets and approve policies, and makes recommendations to the Board for other matters as set out in the Board's scheme of delegation. It meets four times a year.

Professional Practice and Policy Committee (PPPC)

The PPPC considers and makes recommendations upon matters relating to professional development, standards, policy and public affairs, and ensures that the perspective of members and service users in the four UK nations is taken into account, in the development and pursuit of the strategic aims and objectives of the RCSLT and in supporting the Board. The PPPC debates current and future cross-cutting issues in sufficient depth to inform policy decisions by the Board. In the process of consideration, discussion and debate, the PPPC consults with other RCSLT committees and groups and with the wider membership. It meets three times a year.

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Honours committee

The Honours Committee meets once a year and makes recommendations to the Board regarding awards, fellowships, honorary fellowships and suggestions for national honours

RCSLT Hubs

The RCSLT has established 14 hubs across the UK. There are 10 RCSLT Hubs in England, and Northern Ireland, Scotland and Wales are each in themselves RCSLT Hubs. The Isle of Man and Channel Islands have also formed a hub. A member from each of the hubs in England sits on the RCSLT Hub Forum England to ensure joined up working across the hubs. While these are not part of the formal RCSLT governance structure they are a means for the RCSLT to ensure close communication with this large group. The RCSLT Hubs have been strengthened and embedded into the RCSLT primary communication infrastructure and are seen as key to successful delivery of the RCSLT's strategic objectives. The RCSLT Hubs support:

- Two-way engagement and action between RCSLT and all areas of the membership
- Sustainable partnerships and communication between members at a local level
- Development and promotion of innovation, research and best practice

RCSLT Hub Forums

The RCSLT's regional and national hubs are supported by four hub forums, one for each UK nation. These are charged with developing the hub network and acting as a two-way channel of communication between the Board and the wider membership.

The RCSLT executive

The officers employed by the RCSLT are committed to the provision of a high-quality service to its members and the public. Most are based at White Hart Yard in London, which is the central point for information and resources. The Head of Country Officers for Northern Ireland and Scotland and the Country Policy Officer for Wales are based in the countries they represent.

Senior management team

Chief Executive/Professional Director – Kamini Gadhok MBE

Director of Performance and Contracts and Company Secretary – Brian Gopsill

Director of Policy and Public Affairs – Derek Munn

Head of Professional Development – Dominique Lowenthal

Head of Finance and Membership – Karen Willis

Communications Manager – Steven Harulow

Events and Marketing Manager – Sarah Matthews

Statement of policy on remuneration for key management personnel

The policy of the Board is to report the remuneration of trustees, CEO and the senior management team. The trustees are not remunerated, with the exception of the honorary treasurer, which is allowed by the RCSLT's Memorandum of Association and properly approved by the Board. The senior management team is remunerated according to a fixed-salary scale. No bonuses or other incentives are paid.

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Relationships between the RCSLT and related parties

The Association of Speech and Language Therapists in Independent Practice (ASLTIP) is affiliated with the RCSLT. The ASLTIP represents members who work in the independent sector. The RCSLT sends a representative to the ASLTIP annual general meeting. All members of ASLTIP are also members of the RCSLT. The RCSLT is also a member of the Allied Health Professions Federation (AHPF). The aim of both relationships is to bring together organisations to add value and maximise impact by working jointly and influencing on issues of common concern. The chair and CEO attend regular bi-monthly meetings of the AHPF. The RCSLT works with a range of other partners and stakeholders across health, education, social care and justice sectors in the pursuit of its charitable objectives. This includes charities such as The Communication Trust, I CAN, Afasic, The Stroke Association, the Health and Care Professions Council, and Unite the Union. The RCSLT has also developed working relationships with civil servants in order to influence government policy relating to the development of services to people with communication disability and the future of the profession in providing these services.

Legal and administrative information

The Charity is known as the Royal College of Speech and Language Therapists (the RCSLT); registered number 273724. It is a registered charity in Scotland, registered number SC041191. The RCSLT is also a company limited by guarantee, registered number 518344, and therefore has no share capital. In the event of its winding up, the members' liability is limited to £1 per member. The Memorandum and Articles of Association, which were last amended on 16 September 2014, govern the RCSLT. It has a trading arm, known as CSLT Trading Ltd, registered number 0268820.

Charitable objectives and intended impact

The RCSLT was established on 6 January 1945. Its object is to promote for the public benefit the art and science of speech and language therapy, meaning the care for individuals with communication, swallowing, eating and drinking difficulties. It is the professional body providing leadership and setting professional standards for speech and language therapists in the UK. It facilitates and promotes research into the field of speech and language therapy, promotes better education and training of speech and language therapists and provides information for members and the public about speech and language therapy.

| | |
|--------------------------|---|
| Registered Office | 2 White Hart Yard London SE1 1NX |
| Auditors | haysmacintyre 26 Red Lion Square London WC1R 4AG |
| Bankers | National Westminster Bank 180 Shoreditch High Street London E1 6HN |

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| | |
|-----------------------------------|---|
| Solicitors | Camerons Solicitors LLP 70 Wimpole Street London W1G 8AX |
| Investment Managers | Standard Life Wealth Ltd 30 St Mary Axe London EC3A 8EP |
| | Waverton Investment Management Ltd 21 St James's Square London SW1Y 4HB |
| Investment Advisers | Epoch Wealth Management Ltd First Floor, Queen Square House Queen Square Place Bath BA1 2LL |
| Patron | HRH The Countess of Wessex |
| President | Sir George Cox |
| Senior Life Vice President | Sir Sigmund Sternberg O St J, KCSG, Hon FRCSLT, JP |
| Vice Presidents | The Baroness Jay The Right Honourable John Bercow MP The Right Honourable Simon Hughes MP |
| Membership and Information | 020 7378 3008/3009 |
| Switchboard | 020 7378 1200 |

Statement of responsibilities of the Board

Company law requires the trustees (who are the directors of the company for the purposes of the Companies Act 2006 and the charitable trustees) to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue on that basis

Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding

**ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement on public benefit

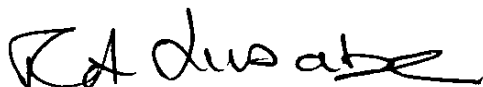
The trustees are aware of their duty to ensure that the RCSLT pursues a policy of public benefit and have been briefed on this requirement by the auditors and the company secretary and have had the necessary information made available to them. The trustees consider that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission

AUDIT INFORMATION

So far as each of the directors at the time the trustees' report is approved is aware

- a There is no relevant information of which the auditors are unaware
- b They have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Signed



Maria Luscombe
Chair of the Board, on behalf of the trustees

13 July 2016

Independent auditors' report to the members of the Royal College of Speech and Language Therapists

We have audited the financial statements of the Royal College of Speech and Language Therapists for the year ended 31 March 2016 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 19 and 20, 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.

We have been appointed auditor under the Companies Act 2006 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's net movement in funds, including the group's and the parent income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the consolidated charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report including the exemption from preparing a Strategic Report



*Richard Weaver (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor*

13 July 2016

*26 Red Lion Square
London
WC1R 4AG*

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure account) FOR THE YEAR ENDED 31 MARCH 2016

| | Note | Unrestricted Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Total Funds 2016 £'000 | Total Funds 2015 £'000 |
|--|------|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Income and endowments | | | | | | |
| Charitable activities | 3 | 3,177 | - | 157 | 3,334 | 3,059 |
| Other trading activities | 4 | 635 | - | - | 635 | 669 |
| Investments | 6 | 95 | - | - | 95 | 125 |
| Total income and endowments | | 3,907 | - | 157 | 4,064 | 3,853 |
| Expenditure | | | | | | |
| Raising funds | 7 | 554 | - | - | 554 | 652 |
| Charitable activities | 8 | 2,760 | 334 | 164 | 3,258 | 3,366 |
| Total expenditure | | 3,314 | 334 | 164 | 3,812 | 4,018 |
| Net income/(expenditure) before gains/(losses) on investments | | 593 | (334) | (7) | 252 | (165) |
| Net gains/(losses) on investments | | (184) | - | - | (184) | 212 |
| Net income/(expenditure) before transfers | 12 | 409 | (334) | (7) | 68 | 47 |
| Transfers between funds | | (645) | 645 | - | - | - |
| Net income/(expenditure) after transfers | | (236) | 311 | (7) | 68 | 47 |
| Other recognised gains and losses | | | | | | |
| Gains/(losses) on revaluation of fixed assets | | 2,709 | - | - | 2,709 | - |
| Net movement in funds | | 2,473 | 311 | (7) | 2,777 | 47 |
| Fund balances brought forward | | 6,328 | 642 | 75 | 7,045 | 6,998 |
| Fund balances carried forward | | 8,801 | 953 | 68 | 9,822 | 7,045 |
| | | (Note 18) | (Note 18) | (Note 17) | | (Note 23) |

The net income of the parent Charity for the year was £14,000 (2015 £1,000)

All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing activities

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS – COMPANY NO. 518344

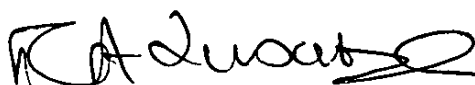
BALANCE SHEET

AT 31 MARCH 2016

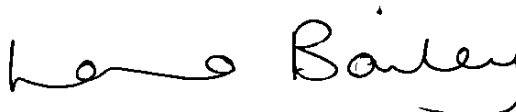
| | | Group | | Charity | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | Note | 2016 £'000 | 2015 £'000 | 2016 £'000 | 2015 £'000 |
| Fixed Assets | | | | | |
| Tangible fixed assets | 13 | 5,057 | 2,391 | 5,057 | 2,391 |
| Investments | 14 | 2,875 | 3,097 | 2,875 | 3,097 |
| | | <u>7,932</u> | <u>5,488</u> | <u>7,932</u> | <u>5,488</u> |
| Current Assets | | | | | |
| Stock of goods for resale | | 9 | - | 9 | - |
| Debtors | 15 | 361 | 408 | 438 | 395 |
| Short term deposits | | 1,319 | 1,157 | 1,319 | 1,157 |
| Cash at bank and in hand | | 689 | 496 | 496 | 379 |
| | | <u>2,378</u> | <u>2,061</u> | <u>2,262</u> | <u>1,931</u> |
| Creditors: amounts falling due within one year | 16 | <u>(488)</u> | <u>(504)</u> | <u>(377)</u> | <u>(379)</u> |
| Net Current Assets | | <u>1,890</u> | <u>1,557</u> | <u>1,885</u> | <u>1,552</u> |
| Net Assets | | <u><u>9,822</u></u> | <u><u>7,045</u></u> | <u><u>9,817</u></u> | <u><u>7,040</u></u> |
| RESERVES | | | | | |
| Restricted funds | 17 | 68 | 75 | 68 | 75 |
| Unrestricted funds | 18 | | | | |
| Designated funds | | 953 | 642 | 953 | 642 |
| Other unrestricted funds | | | | | |
| General funds | | 5,631 | 4,909 | 5,631 | 4,909 |
| Revaluation reserve - property | | 3,090 | 888 | 3,090 | 888 |
| Revaluation reserve - investments | | 75 | 526 | 75 | 526 |
| Non charitable trading funds | | 5 | 5 | - | - |
| | | <u>9,822</u> | <u>7,045</u> | <u>9,817</u> | <u>7,040</u> |

The financial statements were approved and authorised for issue by the Board on 13 July 2016 and were signed below on its behalf by

Maria Luscombe Cert MRCSLT
Chair



Lorna Bailey Cert MRCSLT
Hon Treasurer



ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2016

| | Note | Total 2016 £'000 | Total 2015 £'000 |
|---|------|------------------------|------------------------|
| Operating activities | 21 | 292 | (511) |
| Investing activities | | | |
| Proceeds from realisation of Rathbone's portfolio | | 1,818 | 858 |
| Further investment with Waverton and Standard Life Wealth | | (1,800) | - |
| Dividends and interest | | 95 | 125 |
| Purchase of tangible fixed assets | | (50) | (151) |
| Net cash provided/(used) in investing activities | | 63 | 832 |
| Change in cash and cash equivalents in the year | | 355 | 321 |
| Cash and cash equivalents at the beginning of the year | 22 | 1,653 | 1,332 |
| Cash and cash equivalents at the end of the year | 22 | 2,008 | 1,653 |

No separate cashflow statement has been prepared for the Charity alone as permitted by section 1 of FRS102

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exceptions of investments and freehold land and buildings which are included 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 Ireland (FRS102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Ireland (FRS102) and the Companies Act 2006.

Preparation of accounts on a going concern basis

The Charity reported a cash inflow for the year of £279,000 for the year and £355,000 on a group basis. The Charity holds free reserves after designating funds for projects, in the form of cash and investments, equivalent to 16.2 months' operating costs. The Trustees are of the view that the Charity is a going concern.

Group financial statements

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.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006.

Fund accounting

General funds are unrestricted 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.

Designated funds are unrestricted funds which have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

Income

Income is included in the SOFA when the Charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy

For 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 finalized and notification has been made by the executors that a distribution will be made, or when a distribution is received from the estate. Receipt of legacy 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

Donations and grants, including capital grants, are included in income when these are receivable unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases the amount received is treated as deferred income. Donations and grants for particular purposes are included in income as restricted funds

Royalties are included in income on an accruals basis

Expenditure

Expenditure is included in the SOFA on an accruals basis. Expenditure attributable to more than one activity is apportioned across cost categories on the basis of the estimated time spent by staff on those activities

Cost of raising funds are those costs relating to the generation of income and include costs related to the commercial trading activity and the management of investments

Costs of charitable activities are those costs relating to the activities carried out to meet the objectives of the organisation. These include both directly attributable costs and apportioned support costs

Support costs relate to those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include administrative support, finance, personnel, general administrative and IT support, premises and governance and are apportioned on a basis considered appropriate to the underlying activities. The bases on which costs have been allocated are set out in note 9

Pension costs

The company makes payments to a defined contribution pension scheme on behalf of all eligible employees. The cost of contributions for the year is shown in note 10. Contributions totalling £nil were outstanding at the end of the year (2015 £5,000).

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

Operating leases

The company classifies the lease of printing equipment and short-term accommodation as operating leases. Title to the printing equipment remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Financial Instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities. Any impairment loss is measured as the difference between an asset's carrying amount and recoverable amount.

Stocks

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

Tangible fixed assets

Individual fixed assets costing more than £1,000 are capitalized at cost.

Tangible fixed assets are depreciated at rates calculated to write off the cost of each asset over its anticipated useful life at the following rates:

| | |
|--------------------------------|---------------|
| Freehold building | 2% per annum |
| Computer equipment | 25% per annum |
| Software development | 20% per annum |
| Office furniture and equipment | 20% per annum |

Assets under development or construction are not depreciated until brought into operational use.

Freehold land and buildings are recognized at a valuation arrived at by an external valuer in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors. Properties are revalued on a five-year basis and reviewed every three years and revalued where the change is material.

The freehold land and buildings at White Hart Yard were revalued by BGW McDaniel, a commercial property consultancy company, as at 31 March 2016 on the basis of open market value.

All upward revaluation adjustments are held in the revaluation reserve. Downward revaluation adjustments as a result of consumption of economic benefits are charged to the Statement of Financial Activities. Other downwards revaluations are taken to the revaluation

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

reserve to the extent of previous upwards revaluations and thereafter charged to the Statement of Financial Activities

Investments

Investments are included at market value at the year end

Transition to FRS 102

The opening fund balances at the date of transition have been restated (see note 26 on Generally Accepted Accounting Practices) due to a liability for holiday pay but no subsequent restatement of items has been required in making the transition to FRS102. The transition date was 1 April 2014.

2. COMPANY STATUS

The Charity is a company limited by guarantee. The members of the company are the members of RCSLT. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the RCSLT.

3. CHARITABLE ACTIVITIES

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Subscriptions | 3,097 | 2,946 |
| Services to Federation of Allied Health Professional Bodies | 52 | 45 |
| Events | 1 | 66 |
| Grants received | 184 | 2 |
| | <u>3,334</u> | <u>3,059</u> |

4. OTHER TRADING ACTIVITIES

| | 2016 £'000 | 2015 £'000 |
|-------------------------------------|---------------|---------------|
| Commercial trading operations | 564 | 610 |
| Corporate membership (Universities) | 11 | 12 |
| Letting of premises | 51 | 45 |
| Sundry | 9 | 2 |
| | <u>635</u> | <u>669</u> |

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5. COMMERCIAL TRADING OPERATIONS

The wholly owned trading subsidiary C S L T (Trading) Limited which is incorporated in England and Wales, pays all its profits to the Charity by gift aid. C S L T (Trading) Limited publishes the Bulletin on behalf of the RCSLT, runs its biennial conference and receives royalties in respect of publications.

The Charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

| Summary Profit and loss account | 2016 | 2015 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Turnover | | |
| Advertising | 346 | 340 |
| Royalties | 180 | 189 |
| Sponsorship Income | 15 | 41 |
| Courses | 18 | 33 |
| Webinars | 5 | 7 |
| | <u>564</u> | <u>610</u> |
| Cost of sales | | |
| Bulletin | 319 | 316 |
| International Journal of Language and Communication Difficulties | 123 | 125 |
| Courses | 5 | 13 |
| | <u>447</u> | <u>454</u> |
| Gross Profit | 117 | 156 |
| Administration expenses | (3) | (10) |
| Interest payable | - | - |
| | <u>114</u> | <u>146</u> |
| Net profit before transfers to Charity | 114 | 146 |
| Payments to Charity for staff costs and overheads attributable to C S L T (Trading) Limited | (59) | (100) |
| Amount gifted to Charity | (55) | (46) |
| | <u>-</u> | <u>-</u> |
| Retained in the subsidiary | - | - |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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5. COMMERCIAL TRADING OPERATIONS (continued)

| | 2016 £'000 | 2015 £'000 |
|--|-----------------------|-----------------------|
| The assets and liabilities of the subsidiary were | | |
| Current assets | 298 | 301 |
| Creditors – amounts falling due within one year | (293) | (296) |
| Total net assets | 5 | 5 |
| Represented by. | | |
| Aggregate share capital and reserves | - | - |
| Retained profit in the subsidiary | 5 | 5 |
| Aggregate share capital and reserves | 5 | 5 |
| Administration expenses | | |
| Administration expenses include | | |
| Audit fees – current year | - | 1 |

The administration expenses are included in costs of generating funds in the Consolidated Statement of Financial Activities

6. INVESTMENTS

| | 2016 £'000 | 2015 £'000 |
|---------------------|-----------------------|-----------------------|
| Quoted investments | 85 | 118 |
| Short term deposits | 8 | 6 |
| Bank interest | 2 | 1 |
| | 95 | 125 |

7. RAISING FUNDS

| | Activities undertaken directly £'000 | Support Costs £'000 | 2016 £'000 | 2015 £'000 |
|-------------------------------|---|------------------------------------|-----------------------|-----------------------|
| Investment management fees | 16 | - | 16 | 12 |
| Letting of premises | 11 | - | 11 | 13 |
| Commercial trading operations | 450 | 77 | 527 | 627 |
| | 477 | 77 | 554 | 652 |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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8. CHARITABLE ACTIVITIES

| | Activities undertaken directly £'000 | Support Costs £'000 | 2016 £'000 | 2015 £'000 |
|--|---|---------------------------|---------------|---------------|
| Supporting high quality services to members | 613 | 1,296 | 1,909 | 1,949 |
| Influencing policy and information in support of end users | 139 | 1,210 | 1,349 | 1,417 |
| | <u>752</u> | <u>2,506</u> | <u>3,258</u> | <u>3,366</u> |

9. ANALYSIS OF SUPPORT COSTS

| | Basis of allocation | Raising Funds £'000 | Supporting high quality services to members £'000 | Influencing policy and information £'000 | 2016 £'000 | 2015 £'000 |
|----------------------|------------------------------|---------------------------|---|---|---------------|---------------|
| Direct staff costs | Allocated on time | 45 | 683 | 642 | 1,370 | 1,319 |
| Indirect staff costs | Pro-rata to direct staff FTE | 14 | 250 | 236 | 500 | 540 |
| Staff related costs | Pro-rata to staff costs | 2 | 46 | 41 | 89 | 156 |
| General admin costs | Pro-rata to staff costs | 3 | 52 | 48 | 103 | 140 |
| Premises | Pro-rata to staff costs | 2 | 42 | 38 | 82 | 87 |
| IT support costs | Pro-rata to staff costs | 3 | 84 | 78 | 165 | 235 |
| Finance | Pro-rata to staff costs | 6 | 107 | 98 | 211 | 250 |
| Governance | Pro-rata to staff costs | 2 | 32 | 29 | 63 | 75 |
| | | <u>77</u> | <u>1,296</u> | <u>1,210</u> | <u>2,583</u> | <u>2,802</u> |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

10. ANALYSIS OF REMUNERATION

| | 2016 | 2015 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Salaries and wages | 1,454 | 1,411 |
| Social security costs | 156 | 153 |
| Pension costs | 193 | 156 |
| Staff employed by other organisations | 17 | 17 |
| Temporary staff costs | 105 | 190 |
| Total staff costs | 1,925 | 1,927 |

The number of higher paid employees was

| | 2016 | 2015 |
|--------------------|-------------|-------------|
| | No. | No. |
| £60,001 - £70,000 | 4 | 4 |
| £70,001 - £80,000 | 2 | 1 |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are charged to designated, restricted and unrestricted funds as appropriate

The charity trustees were not paid or received any benefits from employment with the charity or its subsidiary in the year (2015 £nil) 3 (2015 £nil) charity trustees received payment for professional or other services supplied to the charity totalling £11,000 (2015 £nil)

Expenses totalling £24,000 (2015 £24,000) relating to 11 (2015 12) trustees were reimbursed in the year These related to travel and incidental costs incurred in carrying out their duties

The key management personnel of the parent charity, RCSLT, comprise the trustees, the CEO and the other members of the Senior Management Team The total employee benefits of the key management personnel of the charity were £539,000 (2015 £533,000)

The subsidiary C S L T (Trading) Ltd had nil employees (2015 nil)

Payments arising from the termination of contracts of employment totalling £nil (2015 £9,000) were made during the year

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

11. STAFF NUMBERS

The average monthly number of employees and the average monthly number of full time equivalents (including ex-officio directors) employed by the group during the year were

| | 2016 No. | 2015 No. |
|--|---------------------|---------------------|
| Raising funds | 1 | 2 |
| Supporting high quality services to members | 13 | 13 |
| Influencing policy and information in support of end users | 15 | 13 |
| Administration | 10 | 9 |
| Actual | 39 | 37 |
| | | |
| | 2016 No | 2015 No. |
| Raising funds | 1 | 2 |
| Supporting high quality services to members | 12 | 12 |
| Influencing policy and information in support of end users | 12 | 11 |
| Administration | 10 | 9 |
| Full-time Equivalents | 35 | 34 |

12. NET INCOME/EXPENDITURE FOR THE YEAR

Net income/expenditure for the year are stated after charging

| | 2016 £'000 | 2015 £'000 |
|--|-----------------------|-----------------------|
| Depreciation | 60 | 60 |
| Audit fee | 10 | 8 |
| Non-audit fees | 5 | 9 |
| Rental charge payable in respect of operating leases | 45 | 44 |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

13. TANGIBLE FIXED ASSETS

All assets relate to the Charity and are used for charitable purposes

| | Freehold Land and Buildings £'000 | Office Furniture and Equipment £'000 | Computer Equipment and Software Development £'000 | Total £'000 |
|--------------------------|--|---|--|------------------------|
| Cost or valuation | | | | |
| At 1 April 2015 | 2,272 | 53 | 327 | 2,652 |
| Additions | 31 | - | 19 | 50 |
| Disposals | - | (2) | (35) | (37) |
| Revaluation | 2,597 | - | - | 2,597 |
| At 31 March 2016 | 4,900 | 51 | 311 | 5,262 |
| Depreciation | | | | |
| At 1 April 2015 | 74 | 25 | 162 | 261 |
| Charge for the year | 38 | 10 | 12 | 60 |
| Disposals | - | (2) | (2) | (4) |
| Revaluation | (112) | - | - | (112) |
| At 31 March 2016 | - | 33 | 172 | 205 |
| Net Book Value | | | | |
| At 31 March 2016 | 4,900 | 18 | 139 | 5,057 |
| At 31 March 2015 | 2,198 | 28 | 165 | 2,391 |

The property was revalued at open market value with effect from 31 March 2016 by BGW McDaniel, Chartered Surveyors. The historical cost of the property was £1,810,000

14. INVESTMENTS

| Movement in investments | Cash £'000 | Group and Charity Listed Investments £'000 | Total 2016 £'000 |
|--|-----------------------|---|---------------------------------|
| Market value at 1 April 2015 | 44 | 3,053 | 3,097 |
| Disposal proceeds | 2,118 | (2,118) | - |
| Purchases | (1,575) | 1,575 | - |
| Transfer to cash account | (18) | - | (18) |
| Gain/(loss) on disposal compared to opening market value | - | (180) | (180) |
| Gain/(loss) on revaluation | - | (4) | (4) |
| Management charges paid | (20) | - | (20) |
| Market value at 31 March 2016 | 549 | 2,326 | 2,875 |
| Historical cost | 549 | 2,227 | 2,776 |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

15. DEBTORS

| | Group | | Charity | |
|--------------------------------|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 82 | 153 | 22 | 17 |
| Subsidiary undertaking | - | - | 182 | 171 |
| Prepayments and accrued income | 265 | 237 | 220 | 189 |
| Other debtors | 14 | 18 | 14 | 18 |
| | <u>361</u> | <u>408</u> | <u>438</u> | <u>395</u> |

16. CREDITORS: amounts falling due within one year

| | Group | | Charity | |
|------------------------------|--------------|--------------|----------------|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade creditors | 151 | 155 | 107 | 108 |
| Accruals and deferred income | 227 | 247 | 161 | 167 |
| Taxation and social security | 44 | 46 | 44 | 46 |
| Other creditors | 66 | 56 | 65 | 58 |
| | <u>488</u> | <u>504</u> | <u>377</u> | <u>379</u> |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

17. RESTRICTED FUNDS

| | | At 1 April 2015 £'000 | Incoming Resources £'000 | Resources expended £'000 | At 31 March 2016 £'000 |
|----|-----------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| 1 | Shirley Davis Welfare Fund | 7 | - | - | 7 |
| 2 | Ruth Gilchrist Fund | 3 | - | (3) | - |
| 3 | Catherine Renfrew Fund | 3 | - | - | 3 |
| 4 | Penny Harrison Fund | 1 | - | - | 1 |
| 5 | TASLTM Fund | 32 | - | - | 32 |
| 6 | Sir Sigmund Sternberg Award | - | 2 | (2) | - |
| 7 | Future Therapists' Project | 4 | - | - | 4 |
| 8 | RCSLT Hubs Fund | 25 | - | (4) | 21 |
| 9 | SEND Outcomes Fund | - | 145 | (145) | - |
| 10 | My Journey, My Voice | - | 10 | (10) | - |
| | | <u>75</u> | <u>157</u> | <u>(164)</u> | <u>68</u> |

- 1 The Shirley Davis Welfare Fund was established to assist members who are in hardship
- 2 The Ruth Gilchrist Fund was established to support research
- 3 The Catherine Renfrew Fund was established to provide study grants to enable members to travel overseas.
- 4 The Penny Harrison Fund was established to fund bursaries for support workers, newly qualified therapists and students to attend the RCSLT scientific conferences
- 5 The Association of Speech and Language Therapy Managers (TASLTM) Fund was set up for use by the Management Board to support development and training opportunities for speech and language therapists in management
- 6 The Sir Sigmund Sternberg Award represents an amount received which was awarded as two individual grants for clinical innovation
- 7 The Future Therapists' Fund represents grants received from the Department of Health and the North West London Workforce Development Confederation for the development of a website and an educational resource on behalf of the Allied Health Profession Federation
- 8 The RCSLT Hubs Fund represents grants received from the East Midlands Local Education and Training Board ("LETB") for the development of the East Midlands RCSLT Hub
- 9 The SEND Outcomes Fund represents grants received from the Department of Education for the development of a web-based tool to assist in the collection of outcome measurements
- 10 The My Journey, My Voice project represents a grant received from the Health and Social Care Board Northern Ireland to support an exhibition of service user portraits and stories in the Northern Ireland Assembly and community venues

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

18. UNRESTRICTED FUNDS

| | At 1 April 2015 £'000 | Incoming resources £'000 | Resources expended £'000 | Investment Gains/Reval uation £'000 | Transfers £'000 | At 31 March 2016 £'000 |
|---|--------------------------------|--------------------------------|--------------------------------|--|--------------------|---------------------------------|
| Designated funds | | | | | | |
| <u>Supporting Members</u> | | | | | | |
| Minor grants | 9 | - | (8) | - | (1) | - |
| 1 Outcome Measures Project | 128 | - | (55) | - | 8 | 81 |
| 2 Professional Guidance | 69 | - | (75) | - | 76 | 70 |
| 3 Learning Solutions and Products | 35 | - | (18) | - | 3 | 20 |
| 4 Research and Development | 32 | - | (10) | - | 11 | 33 |
| 5 Development of RCSLT Hubs | 64 | - | (25) | - | - | 39 |
| New Graduate Guide | 3 | - | - | - | (3) | - |
| Pre-Graduate Guide | 2 | - | (1) | - | (1) | - |
| Honours and Awards Ceremony | 15 | - | (8) | - | (7) | - |
| Online Journal Access | 17 | - | (19) | - | 2 | - |
| Member survey | 2 | - | - | - | (2) | - |
| <u>Influencing Policy</u> | | | | | | |
| 6 Giving Voice Campaign | 25 | - | (13) | - | 3 | 15 |
| International Communications Project | 6 | - | (6) | - | - | - |
| 7 Public Affairs Support | 45 | - | (20) | - | 20 | 45 |
| Overseas Conference Fund | 2 | - | - | - | (2) | - |
| 8 Research Projects | 20 | - | (7) | - | 7 | 20 |
| <u>Admin</u> | | | | | | |
| 9 IT Development | 148 | - | (61) | - | 543 | 630 |
| Heritage Project | 10 | - | (8) | - | (2) | - |
| Contingency for Projects | 10 | - | - | - | (10) | - |
| | <u>642</u> | <u>-</u> | <u>(334)</u> | <u>-</u> | <u>645</u> | <u>953</u> |
| Other unrestricted funds | | | | | | |
| General funds | 4,909 | 3,343 | (2,865) | - | 244 | 5,631 |
| Revaluation reserve - property | 888 | - | - | 2,709 | (507) | 3,090 |
| Revaluation reserve - investments | 526 | - | - | (184) | (267) | 75 |
| Non charitable trading funds | 5 | 564 | (449) | - | (115) | 5 |
| | <u>6,970</u> | <u>3,907</u> | <u>(3,648)</u> | <u>2,525</u> | <u>-</u> | <u>9,754</u> |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

18. UNRESTRICTED FUNDS (continued)

- 1 Outcome Measures Project this represents funding to support members with the development of outcome measures
- 2 The Professional Guidance Fund has been established to ensure regular updates of current professional guidance and the development of new guidance and standards
- 3 The Learning Solutions and Products Fund is money set aside to develop resources notably in connection with dementia and other age-related conditions leading to communication difficulties
- 4 Research and Development represents an amount set aside to fund research and development
- 5 The RCSLT Hubs Project Fund supports the development of regional professional networks, including supporting members to develop and disseminate research and evidence based practice
- 6 Giving Voice Campaign fund has been set up to undertake campaigns for engaging service users and carers, fellow professionals and partner groups to raise awareness and influence key decision makers to improve SLT services
- 7 Public Affairs Support represents the funds set aside to support campaigning and influencing activities
- 8 Research Projects Fund has been set aside to support the proactive commissioning of research to support the RCSLT's policy influencing goals
- 9 IT Development represents funds set aside for the redevelopment of the web-site and CRM system

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted funds | | Restricted | |
|-----------------------|--------------------|--------------|------------|--------------|
| | Designated | Other | Funds | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | 5,057 | - | 5,057 |
| Investments | - | 2,875 | - | 2,875 |
| Net Current assets | 953 | 869 | 68 | 1,890 |
| | <u>953</u> | <u>8,801</u> | <u>68</u> | <u>9,822</u> |

20 OPERATING LEASE COMMITMENTS

At 31 March 2016 the Charity had commitments falling due under operating leases

| | <1 year | 1 – 5 years | >5 years | 2016 | 2015 |
|--------------------|-----------|-------------|----------|-----------|-----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Land and buildings | 9 | - | - | 9 | 25 |
| Equipment | 11 | 15 | - | 26 | 37 |
| | <u>20</u> | <u>15</u> | <u>-</u> | <u>35</u> | <u>62</u> |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

21. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2016 £'000 | 2015 £'000 |
|---|-----------------------|-----------------------|
| Net incoming/(outgoing) resources | 68 | 47 |
| Adjustments for | | |
| Depreciation | 60 | 60 |
| Loss/(profit) on the sale of fixed assets | 33 | 1 |
| Loss/(gain) on investments | 184 | (212) |
| Investment income | (95) | (125) |
| Investment management fee deducted from portfolio | 20 | 30 |
| (Increase)/decrease in stock | (9) | - |
| (Increase)/decrease in debtors | 47 | (81) |
| Increase/(decrease) in creditors | (16) | (231) |
| | <u>292</u> | <u>(511)</u> |

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 £'000 | 2015 £'000 |
|--|-----------------------|-----------------------|
| Cash in hand | 689 | 496 |
| Notice deposits (less than three months) | 1,319 | 1,157 |
| | <u>2,008</u> | <u>1,653</u> |

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

ACCOUNTING POLICIES AND NOTES

FOR THE YEAR ENDED 31 MARCH 2016

23. COMPARATIVE FIGURES FOR STATEMENT OF FINANCIAL ACTIVITIES

| | Note | Unrestricted Funds £'000 | Designated Funds £'000 | Restricted Funds £'000 | Total Funds £'000 |
|--|------|--------------------------------|------------------------------|------------------------------|----------------------|
| Income and endowments | | | | | |
| Charitable activities | 3 | 3,057 | - | 2 | 3,059 |
| Other trading activities | 4 | 669 | - | - | 669 |
| Investments | 6 | 125 | - | - | 125 |
| Total income and endowments | | 3,851 | - | 2 | 3,853 |
| Expenditure | | | | | |
| Raising funds | 7 | 652 | - | - | 652 |
| Charitable activities | 8 | 2,840 | 513 | 13 | 3,366 |
| Total expenditure | | 3,492 | 513 | 13 | 4,018 |
| Net income/(expenditure) before gains/(losses) on investments | | 359 | (513) | (11) | (165) |
| Net gains/(losses) on investments | | 212 | - | - | 212 |
| Net income/(expenditure) before transfers | 12 | 571 | (513) | (11) | 47 |
| Transfers between funds | | (540) | 581 | (41) | - |
| Net income/(expenditure) after transfers | | 31 | 68 | (52) | 47 |

24. RELATED PARTY TRANSACTIONS

In 2016 the following transactions took place between the Trust and its wholly owned subsidiary C S L T (Trading) Limited

- The provision of various services including staff time and related overheads of £59,000 (2015 £100,000)
- The transfer under gift aid of the trading profits of C S L T (Trading) Limited to the Charity of £55,000 (2015 £46,000) of which £55,000 was outstanding at 31 March 2016 (2015 £46,000)

25. CORPORATION TAXATION

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains act 1992 to the extent that these are applied to its charitable objects

ROYAL COLLEGE OF SPEECH AND LANGUAGE THERAPISTS

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FOR THE YEAR ENDED 31 MARCH 2016

26. RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required

At the date of transition in applying the requirements to recognize liabilities arising from employee benefits, a liability was recognised for short-term compensated absence from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £24,000. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

| | 31 March 2014 £'000 | 31 March 2015 £'000 |
|------------------------------------|------------------------------------|------------------------------------|
| Fund balances as previously stated | 7,022 | 7,069 |
| Short term compensated absences | (24) | (24) |
| Fund balances as restated | <u>6,998</u> | <u>7,045</u> |