

Road Safety Foundation

Financial Statements

31 December 2007

Charity Number 295573

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Road Safety Foundation

Financial Statements

Year ended 31 December 2007

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Road Safety Foundation

Members of the Board and Professional Advisers

Council of management	Lord Dubs (Chairman) Richard Turner Saul Billingsley Christopher Underwood Dr John Mumford OBE
Company secretary	Brenda King
Executive	John Dawson (Managing Executive) Dr Joanne Hill (Research Manager) Dr Steve Lawson (Technical Manager) Shona Holroyd (Financial Controller)
Registered office	60 Trafalgar Square London WC2N 5DS
Principal office	Worting House Worting Basingstoke Hampshire RG23 8PX
Auditor	Haines Watts Chartered Accountants & Registered Auditors Sterling House 177-181 Farnham Road Slough Berkshire SL1 4XP
Bankers	Barclays Bank plc Basingstoke & Reading Business Centre PO Box 6193 Basingstoke Hampshire RG21 3RX
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Road Safety Foundation

Trustees Annual Report

Year ended 31 December 2007

The Council of Management (who are directors of the charity for the purposes of the Companies Act) present their report, together with the audited financial statements of the Foundation for the year ended 31 December 2007

Governance

The Road Safety Foundation ("The Foundation") was incorporated on 31 October 1986 as The Automobile Association Foundation for Road Safety Research as a company limited by guarantee and is a registered charity, governed by its memorandum and articles of association. The charity changed its name to the Road Safety Foundation on 30 January 2007 following an interim name change to the Foundation for Road Safety Research on 8 April 2005. The directors of the charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Council of Management.

Objectives and policies

The Foundation was established to promote road safety for the benefit of the public and in particular by

- (1) the carrying out or procuring (whether by way of financial assistance or otherwise) the carrying out of research into all factors affecting the safe use by all members of the community of public roads and the publication of the useful results of such research,
- (2) the promotion of the circulation throughout the community of advice, information and knowledge regarding the safe use of the public roads by all classes of users thereof,
- (3) to conceive, develop and implement whether alone or jointly with third parties ideas, programmes and course of action whether of an educational or other nature designed to or having as their objective the improvement of any aspect of road safety including (but not by way of limitation of the foregoing) the carrying out of any projects or programmes intended to educate young children or others in the safe use of the public roads

Structure and Management

Council of Management

For the purposes of company law, the council of management shown on page 1 are the directors of the company. The trustees who served during the year were as follows

Lord Dubs (appointed 21 February 2007)
 Sir John Biełloch KCB (retired 11 October 2007)
 Richard Turner
 Saul Billingsley
 Christopher Underwood
 Dr John Mumford (appointed 21 February 2007)

The minimum number of trustees shall be three save for circumstances where a charity (as defined by s96 of the Charities Act 1993) is appointed as a trustee, in which case it may serve as a sole trustee of the Foundation. There shall be no maximum number (unless otherwise determined by Ordinary Resolution).

Organisational Structure

The charity is ultimately governed by the Council of Management who agree and monitor the Forward Plan and approve all of the charity's policies. The day to day running of the charity is delegated to staff under the leadership of the Managing Executive.

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Council meetings are held at least three times a year primarily to review financial reports, discuss issues of strategic direction, and programme priorities

Trustees are sought for the Council specifically to add value to the charity. This is both in terms of creating a Council that is representative of the community that the charity serves and one that has all of the skills and experience required to properly carry out the work of the charity.

The charity is fortunate that it is able to attract committed individuals with great relevant experience in the field and in public life. When a potential trustee is identified, they are usually invited to attend a Council meeting in the capacity of observer. Once they and the Council of Management have gained a greater understanding of each other they are nominated for election to the position of trustee and elected by unanimous decision.

Trustees' induction and training

Most trustees are already familiar with the practical work of the charity and familiar with the work of charities in general. New trustees are given briefings to provide personally tailored orientation to brief them as appropriate on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performances of the charity. The opportunity of the new Trustee is generally taken to provide Council as a whole with presentations of overall progress with the charity's work. If needed, Trustees would be encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Charity's major risks

The Foundation acknowledges at all times the risks associated with its work as a charitable company. The Council of Management ensures that its objectives, philosophy and strategy encompass the identification and control of risk at all times. It recognises that such risk involves the following:

- volatility in funding and other financial risks
- withdrawal of key partner support
- reputation risk
- poor project delivery
- retention of key staff
- law and regulation compliance risk

To ensure that such risk is identified and appropriate control measures are put in place, the Council of Management has recently reviewed the major risks to which the Foundation are exposed and their potential impact. Actions have been taken or identified to mitigate them, and they will continue to be reviewed periodically.

Activities and review of the year

As planned, 2007 was an important year of transition and consolidation for the Foundation. Following the achievements of the previous 5 years in establishing the European Road Assessment Programme (EuroRAP) which led to the establishment of the International Assessment Programme (iRAP), the Foundation again turned its primary focus onto the UK. The year was one in which the Foundation began not only to enable important initiatives to reduce road casualties but also, for the first time, to speak directly in public itself to explain the significance of its research for public policy on road safety.

The Foundation has key assets. It is the Active Member and licence holder for the European Road Assessment Programme (EuroRAP) in Britain and Ireland. This provides direct access to the latest research tools in which there has been substantial and continuing investment at both European and global level. Having played a key role in establishing EuroRAP and iRAP, the Foundation has a joint employment agreement with them so that the Foundation enjoys a pool of staff with varied and world

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Year ended 31 December 2007

class experience to work on the Council's programmes. In turn, the Foundation hopes its work in the UK is providing a model for the international community of nearly 50 countries with whom it shares its work.

Launch of 2007 British EuroRAP 'Performance Tracking' Results

The first milestone of the year occurred in June when the Foundation released EuroRAP 'performance tracking' results for Great Britain. These annual results show which roads on Britain's primary route network have been made safer and the engineering and other practical and affordable countermeasures that successfully brought about these improvements. The results also highlight roads which continue to offer unacceptable levels of risk to road users.

The annual EuroRAP results are now eagerly awaited by national and regional media as well as by road authorities. Working for the first time without a communications partner, the Foundation found no difficulty in explaining the annual results to national, regional and local and professional media including BBC national television and radio. Media monitoring revealed that the 2007 launch was one of the strongest achieved notwithstanding its growing familiarity in national news terms. The regional and local coverage was also substantial.

The Foundation's launch showed that Britain is making progress in the removal of high risk roads. The pace of progress however remains disproportionate to the potential to reduce death and serious injury through safer infrastructure. In its 2007 launch, the Foundation highlighted that as recently as 2001 Britain had the lowest death rate in Europe but is now slipping quickly behind the other leading countries.

UK Road Safety Strategy

The government is currently reviewing UK road safety strategy. The countries which have overtaken Britain with lower death rates are characterised by a clearer philosophy of how a safe road transport system can be achieved ('vision zero', 'sustainable safety'). This philosophy leads to simultaneous action on safer drivers, safer vehicles and safer roads. The Foundation has advocated this approach for much of the last decade and hopes to make a substantial contribution to this important review.

Publication of the 2007 Great Britain Risk Map

The Foundation granted a licence to the AA to include the EuroRAP risk map of Britain's primary route network in 2008 editions of its road atlases. The publication in atlases is part of the Foundation's communications programme which seeks to raise awareness of road users' changing risk as they move from one road section to another.

European Road Safety Atlas

The Foundation joined a consortium of 10 countries in a proposal led by EuroRAP to prepare a Road Safety Atlas of Europe. The European Commission has accepted the proposal seeing it as an important part of its strategy to make the safety of roads infrastructure transparent as a stimulus to competition in effective action between EC member states. Work is planned to begin in 2008.

Launch of Britain's First Star Rating Results

The Foundation enabled work to undertake the inspection and safety rating ('star rating') of some 7,000kms of road network in the UK. This work was financially supported by the Highways Agency and IAM Trust (a committee of the Institute of Advanced Motorists).

The results showed the substantial variation in safety features between roads. Some 40 per cent of the UK's A-roads surveyed in the pilot network achieved no better than a 2-star rating. Whilst many motorways were shown to be the safest type of UK road with a 4-star rating, deficits were found in the

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safety provision even on these purpose-built high quality roads. The deficits were mainly in 'run-off' protection where unfenced trees and solid objects were too close to the road edge for a 70mph speed rating.

In 2007, the Foundation continued to work with the Highways Agency so that the inspection of English trunk roads is completed and effective counter-measure programmes can be put in place.

EuroRAP International Conference

In December 2007, the Foundation arranged a significant conference at the Institution of Civil Engineers building in London to enable the results of the star rating of the UK pilot network to be presented alongside work on road assessment from Europe and across the world. The IAM Trust and EuroRAP were financial supporters of the conference which was also attended by HRH Duke of Kent and addressed by Minister for Road Safety, Jim Fitzpatrick and the lead road safety specialist from the European Commission. As well as UK results, international speakers gave results from programmes in Germany, Ireland, Spain, Poland, Australia, Malaysia, New Zealand, Chile and Costa Rica. The programme was completed with the view from the UK county of West Sussex.

Financial review

The Foundation achieved a surplus for the year of £23,795. Although a small deficit was budgeted for 2007, higher income was received than in previous years. Valuable and grateful donations of £85,750 were received from a number of organisations, including the IAM Trust, IRAP and EuroRAP, charitable income of £50,000 from the Highways Agency enabled work to be carried out on the Star Rating of the UK road network, this work - and funding for it - will continue in to 2008.

During 2007, the Foundation received the final tranche of the grant from the EC and this enabled an early repayment of the loan from the IAM Trust for which the Foundation suitably benefited by a discount of £7,901.

The surplus for the year will be added to reserves brought forward to give a total of £80,945 to be carried forward to 2008.

Plans for future periods

The 2008 programme is planned to be larger than 2007 and is scheduled to include

- Launch of the 2008 EuroRAP 'Performance Tracking' Results
- Completion of the inspection and star rating of the English trunk road network
- Launch of star rating and performance tracking results for Ireland
- Commencement of the UK component of the EC supported *European Road Safety Atlas*
- An initiative to support development of the government's UK Road Safety Strategy Review
- The building of effective partnerships to support the Foundation's initiatives

Beyond 2008, the EC supported programme enables a solid programme of work until 2011. Council hopes that initiatives that the Foundation is building with local authorities and in Scotland, Northern Ireland and Wales will also come to fruition. It is likely that the Foundation will work more closely with Parliament and government to help implement results of the UK Road Safety Strategy Review.

Road Safety Foundation

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Year ended 31 December 2007

Council

The Foundation owes a deep debt of gratitude to Sir John Blelloch who retired in 2007 after over 10 years service to the Foundation during which it has pioneered initiatives on driving, vehicles and roads. Over the last two and half years, Sir John served as Chairman of the Council of Management and ensured that the Foundation made a vital contribution to the establishment of a global road assessment programme by taking lead responsibility for the flow of €2m of funds into the establishment of the pathfinding European programme. A hallmark of Sir John's leadership was his commitment to road safety policies based on sound research evidence.

Following the retirement Sir John Blelloch, Lord Dubs became Chair of Council during 2007. The appointment of Lord Dubs brings Ministerial and Parliamentary experience to Council at an important time in UK road safety policy making.

Council was also strengthened during 2007 with the addition of Dr John Mumford OBE who brings not only business experience but also research skills and public policy experience of direct relevance to the Foundation's work.

Reserves policy

The Council of Management have agreed sufficient reserves to be held by the charity at the year end. They have earmarked all unrestricted funds to meet contractual liabilities and to enable future programme development. At the year-end the charity had available reserves of £80,945 held in order to continue to provide services in furtherance of its objects should there be a temporary shortfall in incoming resources.

Investment powers

Under the memorandum and articles of association, the charity has the power to invest in any way the trustees wish.

The Foundation has adopted a low risk approach to investing surplus cash by placing cash on deposit at the bank.

Connected charities

There were no related party transactions during the year.

Statement of Council of Management's Responsibilities

The Council of Management are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the surplus or deficit of the Foundation for that period.

In preparing those financial statements the trustees are required to select suitable accounting policies, as described on pages 12 and 13, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

Road Safety Foundation

Trustees Annual Report

Year ended 31 December 2007

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the Foundation's auditors are unaware, and
- the trustees have taken all steps that 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.

Auditors

Haines Watts will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Small company provisions

This report was approved on 13 May 2008 taking advantage of special exemptions available to small companies, conferred by Part VII of the Companies Act 1985.

Signed on behalf of the Council of Management



Lord Dubs
Chairman

Road Safety Foundation

Independent Auditor's Report to the Members of Road Safety Foundation

Year ended 31 December 2007

We have audited the financial statements on pages 10 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13 and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

This report is made solely to the Foundation'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 charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the council of management and the auditor

The trustees' (who also act as directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom General Accepted Accounting Practice), are set out in the Statement of Council of Management's Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Trustees Annual Report is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

Road Safety Foundation

Independent Auditor's Report to the Members of
Road Safety Foundation *(continued)*

Year ended 31 December 2007

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure in the year then ended, and have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Trustees' Annual Report is consistent with the financial statements



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HAINES WATTS
Chartered Accountants
& Registered Auditors

15 May 2008

Road Safety Foundation

Statement of Financial Activities

Year ended 31 December 2007

	Note	Total Funds 2007 £	Total Funds 2006 £
Incoming resources			
<i>Incoming resources from generated funds</i>			
Grants and donations	3	85,750	12,050
<i>Activities for generating funds</i>			
Investment income	4	2,432	1,252
		<u>88,182</u>	<u>13,302</u>
<i>Incoming resources from charitable activities</i>			
Education, training and research	5	50,432	31,831
Total incoming resources		<u>138,614</u>	<u>45,133</u>
Resources expended:			
<i>Charitable activities</i>			
Costs in furtherance of charitable objects	6	110,354	113,040
<i>Governance costs</i>	7	4,465	5,801
Total resources expended	8	<u>114,819</u>	<u>118,841</u>
Net incoming/(outgoing) resources for the year		23,795	(73,708)
Total funds brought forward		57,150	130,858
Total funds carried forward	11	<u>80,945</u>	<u>57,150</u>

The charity has no recognised gains or losses other than the results for the year as set out above

All of the activities of the charity are classed as continuing

The notes on pages 12 to 15 form part of these financial statements

Road Safety Foundation

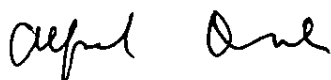
Balance Sheet

31 December 2007

	Note	2007 £	£	2006 £	£
Current assets					
Debtors	9	80,000		170,334	
Cash at bank and in hand		107,038		29,634	
		<u>187,038</u>		<u>199,968</u>	
Creditors' Amounts falling due within one year	10	<u>(106,093)</u>		<u>(142,818)</u>	
Net current assets			80,945		57,150
Total assets less current liabilities			<u>80,945</u>		<u>57,150</u>
Net assets			<u>80,945</u>		<u>57,150</u>
Reserves					
Unrestricted funds	11		80,945		57,150
			<u>80,945</u>		<u>57,150</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These financial statements were approved by the members of the committee on 13 May 2008 and are signed on their behalf by



Lord Dubs
Trustee

The notes on pages 12 to 15 form part of these financial statements

Road Safety Foundation

Notes to the Financial Statements

Year ended 31 December 2007

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 1985

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Incoming resources

Voluntary income represents amounts received and recorded at offices and projects during the year. No costs of fundraising have been netted against voluntary income.

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Revenue grants are credited as incoming resources when they are received or receivable if the grant has been applied for, the work to which it relates has been completed and it will be received subsequently, unless they relate to a specified future period, in which case they are deferred.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in those categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Fund accounting

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for those purposes is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the statement of financial activities.

Road Safety Foundation

Notes to the Financial Statements

Year ended 31 December 2007

1 Accounting policies *(continued)*

Value added tax

As the majority of the Foundation's activities are classified as exempt or non-business activities for the purposes of value added tax, the Foundation is unable to reclaim all the value added tax which it suffers on its purchases. Expenditure in these financial statements is therefore shown inclusive of value added tax.

2 Taxation

The Foundation is a registered charity and therefore no taxation is expected to be payable on its income, which is applied for charitable purposes only.

3 Grants and donations

	2007 £	2006 £
IAM Motoring Trust	30,000	-
iRAP	15,000	-
EuroRAP	32,844	-
Discount on loan	7,901	-
EC grant	-	11,800
Other donors	5	250
	<u>85,750</u>	<u>12,050</u>

4. Investment income

	Total Funds 2007 £	Total Funds 2006 £
Bank interest receivable	<u>2,432</u>	<u>1,252</u>

5. Incoming resources from charitable activities

	2007 £	2006 £
Highways Agency	50,000	-
Other income	432	31,831
	<u>50,432</u>	<u>31,831</u>

6. Costs in furtherance of charitable objects

	Total Funds 2007 £	Total Funds 2006 £
Research projects	67,775	106,497
Communication and reports	3,298	1,901
Management and administration	78	5,060
Other costs	518	(418)
Staff	24,267	-
Conference costs	14,418	-
	<u>110,354</u>	<u>113,040</u>

Road Safety Foundation

Notes to the Financial Statements

Year ended 31 December 2007

7 Governance

	Total Funds 2007 £	Total Funds 2006 £
Audit fees	4,465	5,801
	<u>4,465</u>	<u>5,801</u>

8 Total resources expended

	Staff costs	Direct costs £	Other costs £	Total Funds 2007 £	Total Funds 2006 £
Research projects	5,966	58,516	21,591	86,073	107,980
Management and administration	24,203	–	78	24,281	5,060
Governance	–	4,465	–	4,465	5,801
	<u>30,169</u>	<u>62,981</u>	<u>21,669</u>	<u>114,819</u>	<u>118,841</u>

The Foundation has a joint employment agreement for sharing staff with International Road Assessment Programme Limited and EuroRAP

None of the Council of Management members received remuneration during the year, in respect of their services to the Foundation (2006 - £Nil)

Travelling and subsistence expenses amounting to £170 was reimbursed to Council of Management members during the year (2006 - £Nil)

9 Debtors

	2007 £	2006 £
Other debtors	80,000	170,334
	<u>80,000</u>	<u>170,334</u>

10 Creditors: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	45,958	–
Accruals	31,383	5,000
Other creditors	28,752	27,818
Interest free loan	–	110,000
	<u>106,093</u>	<u>142,818</u>

Road Safety Foundation

Notes to the Financial Statements

Year ended 31 December 2007

11 Analysis of net assets in funds

	Unrestricted Funds	
	2007	2006
	£	£
Current assets	187,038	199,968
Current liabilities	(106,093)	(142,818)
	<u>80,945</u>	<u>57,150</u>

12. Related party transactions

There were no related party transactions during the year

13. Company limited by guarantee

The company is limited by guarantee and the liability of each member is one pound sterling