RAIL SAFETY AND STANDARDS BOARD

Annual Report and Group Financial Statements

Year ended 31 March 2023

Rail Safety and Standards Board Limited
Company Number: 04655675

Company Information

Company registration number:	04655675
Registered office:	The Helicon, 4th Floor 1 South Place London, EC2M 2RB
Directors:	Michael Brown, CBE MVO (Non-Executive Chair) appointed 23 June 2022
	Mark Phillips (Executive Director and Chief Executive Officer)
	Geoff Spencer (Senior Independent Non-Executive Director)
	John Clarke (Independent Non-Executive Director)
	Tanya Chikanza (Non-Executive Director)
	Steve Cocliff (Non-Executive Director)
	Anna Ince (Non-Executive Director)
	David Jordan (Non-Executive Director)
	David Horne (Non-Executive Director)
	Martin Frobisher (Non-Executive Director)
	Emma Head (Non-Executive Director)
	Claire Mann (Non-Executive Director) (appointed 30 November 2022)
	Hannah Kingsley (Executive Director and Chief Financial Officer) (appointed as an Executive Director on 2 March 2023)
	Barbara Moorhouse (outgoing Chair) resigned 31 May 2022
	Steve Murphy (Non-Executive Director) (term ended 10 November 2022)
Company Secretary:	Tracy Gwatkin
Bankers:	HSBC 100 Old Broad Street London EC2N 1BG
Solicitors:	Winckworth Sherwood Solicitors and Parliamentary Agents Minerva House, 5 Montague Close London SE1 9BB
Auditors:	UHY Hacker Young LLP Quadrant House, 4 Thomas More Square London E1W 1YW
Website	www.rssb.co.uk

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Strategic Report

The Directors submit the Strategic Report together with their Report of the Directors and the Audited Accounts for Rail Safety and Standards Board Limited (the "Company"), a Company incorporated in the United Kingdom, for the year ended 31 March 2023.

Principal Activities and Review of the Year

The Company is a private company limited by guarantee without share capital and is incorporated in England. Its registered address is The Helicon, 1 South Place, London, England, EC2M 2RB.

RSSB's core purpose is to **help our members keep Britain moving with safer, smarter rail.**

RSSB is owned by major industry stakeholders and all profits generated are invested back into the business for the benefit of members. The company is governed by its members and a Board. Its method of operation is presented in RSSB's Constitution Agreement, and the Memorandum of Association is incorporated into the Articles of Association.

Fair Review of the Company's Business

Business performance

The Company's business performance in FY2022-23 has been measured in five business areas: customer experience, growth, financial sustainability, organisational health and data leadership.

Fully 96% of the 2022-23 business plan commitments were met.

Financial sustainability: The Company focused on delivering key financial targets, building a stable financial reserves position and delivery of committed efficiency savings, whilst working to manage the impact of inflation.

Growth: The Company drove commercial growth year on year, widening its offer across its commercial portfolio, to contribute to providing additional services and resources for members.

Customer experience: The Company continued to mature its customer focus so that members get great service, and can obtain the full benefit from RSSB's services and materials. Planned improvements to the organisation's efficiency and a better layout of the website were delivered. The Company's new visual identity was embedded and added to the overall impact of the refreshed website.

Organisational health: The Company achieved silver accreditation for its Diversity, Equality, and Inclusion work, and accreditation as a Disability Confident Employer. It recorded its highest ever employee engagement score (8.3 out of 10) and developed a Hiring Manager's toolkit, to ensure it is sourcing, securing, and onboarding the highest calibre people. The Company continued to invest in future talent through its Emerging Leaders and Graduate schemes, and improved its employee value proposition to ensure that we attract and retain high calibre people.

Data leadership: The Company deployed new services in partnership with its members, including the Rail Social Value Tool, which enables the industry to monitor and measure the social value of its projects and day-to-day operations, and guide investment decisions. The Company provided data insights that have supported industry improvements such as our predictive model for earthwork failures during adverse weather. The Company delivered automations that have improved the sharing of industry data, increased data quality, and saved time for members.

Financial review

Income

The Group's operating income arises from a mix of membership levies, grants from the Department for Transport (DfT) and Network Rail, and commercially generated income from the provision of affiliation, training, consultancy, supplier assurance, and associated services.

Operating income increased from £50.8m to £52.1m. This was mainly due to growth in commercial activity and inflationary impacts, offset by a wind down of the Innovation division.

Details on the performance of other sources of income are set out in Note 1 of the financial statements.

Expenditure

Operating expenditure increased from £48.7m to £50.3m, which is in line with the growth in income; a breakdown of expenditure can be seen in Note 1 of the financial statements.

Expenditure in relation to Research and Development activities decreased from £10.2m to £7.7m due to the timing of several large projects, reorganisation of specific programmes and some impact of industry disruption with delivery now planned into the following year.

Sustainability expenditure has increased from £1.9m to £2.5m; with the agreement of DfT new funding has been secured from unutilised Innovation funding during the year, and the scope of the division continues to grow.

Staff costs remained the most significant element of operating expenditure, with payroll and other staff costs rising from £24.9m to £27.2m. This reflects an increase in average headcount from 338 to 356, driven by the transferring in-house of the supplier assurance auditing team, and an annual pay rise.

Profit on ordinary activities

At year end the Group's operating profit (before interest and tax) was £1.8m, compared to £2.1m in the previous year.

After accounting for the impact of non-operating income and expenditure, the Group's profit before tax on ordinary activities was £1.4m, compared to £1.8m in the previous year.

Statement of Financial Position

The Group Statement of Financial Position shows net assets of £28.6m as at 31 March 2023 compared to £6.2m at 31 March 2022. The variance was driven by the valuation of the net defined benefit pension liability, as detailed in Note 16 of the financial statements.

Assets

The value of fixed assets and investments fell from £11.6m to £10.4m, due to the depreciation of software and a fall in the market value of investments. Further information can be found in Notes 6 to 8 of the financial statements.

The Group's current assets increased from £48.0m to £51.0m, with an increase in debtors' balances partly offset by a reduction in cash, due to the timing of levy receipts around year end.

Liabilities

Total creditors fell from £53.4m to £32.8m. The majority of this is due to the movement in the valuation of the pension scheme, driven by an increase in the applicable discount rate, as explained in Note 16.

Reserves

Total Group reserves have increased from £6.2m to £28.6m. As shown in the Consolidated Statement of Changes in Reserves, this is driven by the Group profit for the year of £1.3m, and the decrease in the recognised pension scheme liability of £21.1m.

Key areas of focus for the next financial year:

1. Continue to advance member engagement strategy to enhance understanding and increase take up, so the value of our products and services can be fully realised.
2. Grow commercial revenue and reduce costs of delivery to support further investment in products and services to deliver more value to members.
3. Embed Standards, Safety, and Health and Wellbeing strategies and the Sustainable Rail Blueprint, and provide support and provide safety and risk advice to the industry, as it transitions to a new Sector Target Operating Model (STOM).
4. Continue to support RSSB members reduce risk and improve safety performance through the application of materials produced by Leading Health and Safety on Britain's Railway (LHSBR) groups.
5. Help members learn from incidents, operational experience and data insights and drive continuous improvement through changes to operational rules and standards.
6. Support members' strategies and plans to achieve net-zero emissions by 2050, as the backbone of Britain's sustainable transport network. With members agreeing clear sustainability goals, the actions needed to deliver them and, crucially, the guidance and tools to meaningfully respond.
7. Continue to work with industry to deliver standards that reduce cost, maintain safety and help industry meet legal requirements.
8. Help industry to work together to make further progress against the Rail Technical Strategy (RTS).

The purpose of this Strategic Report is to provide information to the members of the Company and as such it is specifically addressed to those members. The Strategic Report may contain certain forward-looking statements with respect to operations, performance, and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations, and intentions expressed in such forward-looking statements.

Risk management, principal risks, and uncertainties

The Board is ultimately accountable for the Group's Enterprise Risk Management Framework and system of internal control.

The Audit & Risk Committee monitors the risk management process and systems of control of the Group. The Board oversees the activities of the Audit & Risk Committee, the Group's external auditors, and the Group's risk management function, as delegated to the Company's Audit & Risk Committee.

These key strategic risks to the organisation have been identified:

Strategic Risk	Description	Mitigation
Cyber-Security	Business systems subject to cyber-attack leading to operational disruption and potential loss or corruption of data.	Controls are in place that are robust and appropriate for the Company. Although the Company remains cautious to threats and continuously monitors and improves its mechanisms to protect its systems. Workshops are held to look at lessons learned from public incidents to ensure similar weaknesses are not present in RSSB. Regular learning is provided to staff to ensure all remain vigilant and updated on current threats and regular cyber assessment used to focus cyber campaign activity.
Financial sustainability	Failure to secure planned income, cost savings not secured.	Financial risks are proactively managed within all areas of the business including pension costs, commercial margins and CP6 and CP7 funding requirements through a robust process of regular review, challenge and forecast. We have strengthened our Financial Governance and Controls and worked in improving finance understanding across the wider business. Focus has also been in delivering the efficiencies planned to meet targets and ensuring the organisation is operating in a cost effective way.
Loss of capability	Inability to attract and retain top talent may limit our ability to achieve operational targets.	The RSSB Employee Value Proposition continues to attract high calibre talent, with Directorate Heads closely monitoring Peakon results to improve engagement and people's morale. Additionally, a new Employee Benefits Portal was launched. The Company has succession plans in place to ensure that talent is developed and to avoid unnecessary interruption to delivery when people leave or are promoted. Recognition and reward are benchmarked to ensure they remain competitive as part of an attractive overall employee offering.
Third-party supplier failure	Selection of wrong suppliers, not being able to integrate	We continue to work closely with our supply chain to drive value for our members.

Strategic Risk	Description	Mitigation
	them, or not managing them appropriately.	The Company follows good procurement governance and delivers projects while continuing to educate the business in procurement processes. The procurement team continues to proactively build relationships with key suppliers, reviewing strategic and wider contracts to ensure SLA's and KPIs are robust.
Failure of RSSB product or service	An RSSB standard, safety model, or research report is a contributory factor leading to a safety incident or accident.	The Company's reputation in relation to quality of technical outputs amongst its stakeholders and members remain strong as indicated by the latest survey conducted in December 2022. The Company has suffered minimal impact on the delivery of its products and services because of industrial action and continues to deliver on the annual business plan objectives set, which are carefully monitored, and quality controlled, throughout the year.
Major political decision or change in industry structure	A change in government rail policy or review of industry structure that could have a major impact on RSSB.	Our relationship with the Department for Transport remains healthy and constructive. The Company contributes to industry efficiency, performance and effectiveness through developing interoperability standards and safety risk models, as well as supporting wider industry aims of accessibility, climate change management and sustainability. The centralised provisions of these functions and the specialist expertise also ensure that this is done once and collectively for the whole industry to benefit from. The Company also continues to build on its relationships with the Transport for Wales and Transport Scotland.
Current Heightened Level of economic uncertainty		This risk was identified in September 2022 when the economic environment was highly volatile Enhanced engagement of key supply chain partners was under taken and single tender arrangements continue to be reviewed to ensure impacts from weakness in the supply chain are minimised

Two further strategic risk areas are being assessed including consideration of potential disruption to our business model specifically due to new emerging technologies and the impact of a loss of member support due to lack of engagement, ethical scandal, or reduced endorsement from the industry.

Going concern

The Group has a sustainable business model providing industry critical services and continues to be resilient to the impact of the wider political and economic uncertainty. Financial challenges relating to reduced post-pandemic passenger flows have significantly impacted the rail industry, alongside the wider impacts of increased financial volatility and the resulting high inflationary environment.

The largest proportion of the work carried out by the Group is funded through a membership levy which is agreed, with the Board and members, for fixed five-year periods (current 1 April 2019 to 31 March 2024, subsequent 1 April 2024 to 31 March 2029). The Constitution Agreement provides for the current levy to continue until a new proposed levy is agreed. This funding model provides consistency of income, giving liquidity resilience in the shorter term and ongoing financial sustainability through planning and forecasting of future requirements.

Regular financial forecasting is completed throughout the year to provide visibility of the financial impact of change and allows management decisions to be taken on a timely basis. The process for agreeing the funding value for the next five-year period is underway and is expected to be agreed at the AGM in November 2023. Sensitivity analysis has been completed in relation to the future funding model, to better understand potential outcomes and proactively manage future risks as they may occur.

The Group continues to develop its commercial business model, with year-on-year growth consistently meeting the forecast targets set. A key focus of the commercial business is to provide expertise in the core technical specialisms of the Group, working to respond to industry needs as they arise. Despite economic and financial market volatility, there is significant demand for the Group's commercial products and services, including supplier assurance, affiliation, consultancy, and training courses. The Group has well developed plans to build on its existing commercial offering and enhance capabilities in this area and is considered viable in the foreseeable future.

The Group continues to maintain a strong cash position (£38.5m cash at bank at the year-end) and sufficient cash flows to continue its operations for at least the next 12 months. The Group is debt free and has no requirement to source new financing arrangements. The Treasury Committee reviews the forward looking cashflow projections on a regular basis, alongside reviews of the distribution of Group cash balances and the credit rating of financial institutions where Group cash balances are held. Strong credit control procedures are in place, including review of aged debtors on a weekly basis and the establishment of strong and collaborative relationships with key stakeholders. The Group has sufficient cash flows to meet its obligations when they fall due.

Based on the analysis performed, and the Group's continued engagement with members and wider stakeholders in relation to the future requirement for the services provided, it has been determined that there is no doubt of the Group's ability to continue as a going concern.

Statement by the Directors in Performance of their Statutory Duties in Accordance with Section 172 of the Companies Act 2006

The Directors provide the following statement pursuant to the Companies Act 2006 (as amended by Companies Miscellaneous Reporting Regulations 2018 (the "Act") to describe how they have acted in accordance with their duty under s.172 of the Act to promote the success of the Company for the benefit of its member as a whole, and in doing so, how they have had regard to those factors set out in s172(1)(a) to (f) of the Act during the financial year.

Governance Framework

The Company

The company is governed by its members and a Board. Its method of operation is presented in RSSB's Constitution Agreement, and the Memorandum of Association are incorporated in the Articles of Association (available at the Company's website).

The Board is responsible for the effective oversight of the Company. It also agrees the strategic direction and governance structure that will help achieve the long-term success of the Company and deliver stakeholder value. The Board delegates some of its authority via a scheme of delegation that is reviewed annually.

Board Committees

(i) Appointments Committee, (ii) Remuneration Committee, and (iii) Audit & Risk Committee. Each Committee is entitled to co-opt people with relevant professional skills and expertise as members of the Committee for the purposes of providing advice to the committee on matters under consideration. All Committees report to the Board. Each committee is Chaired by Independent Non-executive Directors. Further specific purpose committees such as the Pensions Committee are created when required by the Board.

Board composition, evaluation, and effectiveness

There are 13 Directors on the Board, which comprises an independent Chair, two Executive Directors, two non-industry Non-Executive Directors and eight industry Non-Executive Directors.

Members of the Board conducted a 'stock take' whereby Board members, the executive team and Company Secretary were interviewed by an independent party to evaluate areas of Board performance and identify key themes for the Board to reflect on. The results of the stock take were discussed at a Board Strategy Day in March 2023, with ongoing updates being provided at Board meetings.

Internal audit

The Audit and Risk Committee receives regular reports on the control environment. These reports highlight key improvement themes and recommend areas for focus. In addition, the committee has visibility of management responsiveness in addressing audit actions. The internal audit plan contains mandatory, risk-based, and cyclical reviews.

In April 2019, Grant Thornton UK LLP were appointed as new independent internal auditors on a two-year agreement. This has been extended to March 2024.

External auditor independence and effectiveness

The effectiveness of the external auditors is evaluated by the Audit & Risk Committee each year. UHY Hacker Young were reappointed as external auditors at the Annual General Meeting held on 3 November 2022.

Provision of non-audit services

Non-audit services provided by the external auditors are approved in accordance with the Company's policy on non-audit services.

Annual General Meeting (the 'AGM')

The AGM is an important forum for RSSB to communicate with its members. The Chair of the Board and the Chairs of the Committees, together with senior management, will be available to answer shareholders' questions at the AGM. The Company's AGM will take place on 02 November 2023 at the office of RSSB. All Members may attend and vote, in person or by proxy, at the AGM. The notice of the AGM will appear on our website 21 days before the AGM. The Notice of AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

RSSB subsidiaries

Railway Documentation and Drawing Services Limited

Railway Documentation and Drawing Services Limited (RDDS) is registered in England under Company Number 03128142 with registered office address of The Helicon, 1 South Place, London, England, EC2M 2RB. It is a wholly owned subsidiary of RSSB. RDDS has two principal functions:

- It acts as the custodian of the former British Railways Board library of Traction and Rolling Stock drawings and other associated documents (also known as RMD).
- It provides copies of such documentation to persons and organisations entitled to access them, including to the public in many cases.

Confidential Incident Reporting & Analysis Service Limited

Confidential Incident Reporting & Analysis Service Limited (CIRAS) is registered in England under Company Number 10513501 with registered office address of The Helicon, 1 South Place, London, England, EC2M 2RB. It is a wholly owned subsidiary of RSSB.

CIRAS has continued to provide an independent confidential reporting route for employees within its member companies.

Railway Industry Supplier Qualification Scheme Limited (dormant)

Railway Industry Supplier Qualification Scheme Limited is registered in England under Company Number 10584618 with registered office address of The Helicon, 1 South Place, London, England, EC2M 2RB. It is a wholly owned subsidiary of RSSB. This company has remained a dormant company since its incorporation on 26 January 2017.

The Company and Section 172 of the Act

Throughout the year both generally and in relation to specific matters, the Board has had regard to the interests of all its stakeholders and has engaged with them in range of direct and indirect ways.

The spirit of Section 172 (1) of the Act is embedded within the Strategic Objectives (SO's) of the Company as outlined in the strategic report. These SOs are discussed at Board meetings, with specific SO's being focused on at each meeting. Furthermore, the Company has created regular Board clusters whereby non-executive directors meet specific executive committee members to discuss the following topics: CP7 Funding, Standards, People, Sustainability, Stakeholder Engagement, Research, Growth and Pensions Committee.

The Directors take into account the views of all stakeholders while acting in the best interests of the Company. Examples below demonstrate this in accordance with Section 172(1) of the Companies Act 2006.

Directors' duty to have regard to:	How the Board has directly (or indirectly through its established governance framework) engaged and considered stakeholder interests:
(A) The likely consequences of any decision in the long term.	The Board is collectively responsible for managing the affairs of the Company to achieve its long-term prosperity by making important decisions. When making decisions the Board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, while acknowledging that a decision will not necessarily be favourable for all stakeholders. In 2022 the Board decided its key areas of focus for the next financial year. The areas of focus contain long term goals considering short periods and period of up to 30 years.
(B) The interests of the Company's employees.	The Company has set a high standard of staff recruitment, engagement, development, and retention, with effective measurement and targets where appropriate. In 2022 the following actions were carried out: • Employees have been kept informed of business developments via weekly companywide meetings with the Executive Committee, team meetings, the use of intranet and line managers updates. • The Company uses an employee engagement tool to survey employees monthly, this provides current information on the things that are maximising or inhibiting employee engagement and allows the company to build dynamic action plans to strengthen or address engagement drivers. • The Company achieved Bronze and Silver accreditation for equality, diversity and Inclusion work and Disability Confident Employer Status. • The Company recorded its highest employee engagement score (8.3 out of 10) and developed a Hiring Manager's toolkit. The Company's Gender and Ethnicity Pay Gap information can be found at the Company's website.
(C) The need to foster the Company's business relationships with suppliers, customers, and others.	The Company is a membership organisation that constantly strives to improve the experience of its key stakeholders. The Board fosters relationships by continuing to improve customer experience and financial sustainability. • The Company's yearly business plan is developed by consulting members MDs/CEOs and Professional Heads. • The Company's Modern Slavery and Human Trafficking Statement (PDF download) is reviewed annually and approved by the Board. • Active and ongoing engagement with key service providers and suppliers in accordance with pre-defined frameworks. • The Company has a dedicated procurement team and operates within Public Procurement regulations where relevant.

	• The Company held its yearly AGM in November 2022, whereby all members are invited to vote on matters set out on the Company's Constitution.
(D) The impact of the Company's operations on the community and the environment.	RSSB has led the industry on a range of projects to fund research, develop standards, and monitor safety trends to achieve the goal of delivering a better, safer railway. Sustainability is one of the Company's strategic objectives. • The Company is committed to achieving Net Zero emissions by 2050. Its Carbon Reduction Plan can be downloaded from the Company's website. • The Company deployed new services in partnership with its members, such as the Rail Social Value Tool which measures the social value of rail operations.
(E) The desirability of the Company maintaining a reputation for high standards of business conduct.	RSSB's values underpin how it works and behaves, both internally and externally. The Company continues to maintain its high standards through the delivery of the business plan, its External Engagement strategy, and the focus on financial sustainability. The Company has a Business Conduct and Ethics Policy aligning itself to public sector organisations and aims to set the highest standards of conduct and integrity. The Company expects the highest standards of corporate behaviour and responsibility from its board members, officers, employees, and contractors. This includes impartiality, integrity, and probity.
(F) The need to act fairly between members of the company.	The Company holds an AGM in November each year. All members can attend and vote, in person or by proxy. Members and Professional Heads are consulted when developing the Company's yearly business plan. The Company's Board is composed of independent non-executive directors, executive directors, and industry non-executive directors. The eight industry non-executive directors are elected representatives of the Company's member groups, while independent non-executive directors' appointments are approved by members at the AGM.

Directors' report

The directors present their report, as well as the audited financial statements for the year ended 31 March 2023 that are reflected on pages 19 to 53.

Directors

The names of the current directors, including those who resigned in the year under review, are shown in the Company Information section, at the front of this report (page i).

Employee engagement

The Company strives to involve and inform employees on matters that affect them. The Strategic Report and Section 172 (1) highlights engagement with employees and how the directors have had regard to employee interests and the effect of that regard.

Business relationships

The Strategic Report and Section 172 (1) highlight how the directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regard.

Treasury operations and financial instruments

The Group operates a treasury function which is responsible for managing the investment and liquidity risks associated with the Group's activities.

Details of the associated risks and how they are managed are set out in the Strategic Report under the heading 'Risk management, principal risks and uncertainties', which starts on page 5.

The Group's financial instruments comprise various financial assets and financial liabilities such as trade debtors, cash, trade creditors, and deferred income. The Group does not use derivative financial instruments.

Future developments

The Directors have no plans to significantly change the nature of the Group's activities.

Annual General Meeting

The Company's AGM will take place on 2 November 2023 at the registered office of RSSB. All Members may attend and vote, in person or by proxy, at the AGM. The notice of the AGM can be found on our website. The Notice of AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue.

Streamlined energy and carbon reporting

Group's greenhouse gas (GHG) emission and energy use data for period 1 April 2022 to 31 March 2023

	Year ended 31 March 23	Year ended 31 March 22	Year ended 31 March 21	Base year
Energy consumption used to calculate emissions: /kWh	224,479	211,477	192,102	256,869
Scope 2				
Emissions from purchased electricity: kg CO_2e	43,410	44,903	45,020	59,886
Scope 3				
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel: kg CO_2e	7,875	4,761	897	4,304
Total gross CO_2e based on above: kg CO_2e	**51,285**	**49,664**	**45,917**	**64,190**
Intensity ratio: tCO_2e per £m of income	0.85	0.88	0.88	1.11

Company and Group information

Rail Safety and Standards Board Limited (RSSB) is a company limited by guarantee, incorporated in England and Wales. The registered office is The Helicon, 4th Floor, 1 South Place, London, EC2M 2RB.

SECR is prepared at Group level, detailed group structure is listed on page 10, in the RSSB Subsidiaries section.

Reporting period

1 April 2022 to 31 March 2023.

Methodology

We have followed the UK Government Environmental Reporting Guidelines (March 2019). We do not have scope 1 energy consumption, and we have measured our scope 2 and certain scope 3 emissions within the UK for this report. We have used 2022 UK government conversion factors for company reporting of greenhouse gas emissions.

Base year

We have a fixed base year of FY 2019-20. We chose this year as it was the first year for which we considered that we had reliable data and it was the first year that we were required to be compliant with SECR reporting requirements.

Targets

We are committed to reducing the negative environmental impact of our own activities, including energy use, rail and air travel, printing, and waste, and are taking actions, as described below, to capitalise on the opportunities of hybrid working.

Intensity measurement

We have chosen the metric gross scope 2 and scope 3 emissions in tonnes of CO2e per £m of income, as this is a common business metric for our business sector.

Energy efficiency action

The Smart Working Policy and the introduction of hybrid working towards the end of FY2021-22, has given staff the opportunity to divide their work between onsite and from home. These changes in working practices have given us the opportunity to better manage our carbon impact, and this has resulted in our total emissions remaining lower in comparison to the base year.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

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

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

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to Auditors

In so far as the Directors are aware:

- there is no relevant audit information of which the company's Auditors are unaware
- the directors 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.

The maintenance and integrity of the Company's website is the responsibility of the Directors. The work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

UHY Hacker Young were reappointed as the Auditors at the Annual General Meeting held on 3 November 2022, special notice pursuant to Section 485 having been given.

ON BEHALF OF THE BOARD

Mark Phillips
Chief Executive Officer

Date: 06 July 2023

Independent auditor's report to the members of the Rail Safety and Standards Board

Opinion

We have audited the financial statements of Rail Safety and Standards Board Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group Statement of Cash Flows, the Consolidated Statement of Changes in Reserves, the Company Statement of Changes in Reserves and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the financial statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with HMRC and the Pension Regulator, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above; and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Subarna Banerjee

(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditor

11 July 2023

Group Financial Statements

Principal Accounting Policies

Company information

Rail Safety and Standards Board Limited (RSSB) is a company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is The Helicon, 4th Floor, 1 South Place, London, EC2M 2RB.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company and the Group. Monetary amounts in these financial statements have been rounded to the nearest £'000.

The principal accounting policies adopted are set out below.

The Group financial statements consolidate those of RSSB (the company) and of its subsidiary undertakings Railway Documentation and Drawing Services Limited (RDDS), Confidential Incident Reporting Analysis Service Limited (CIRAS), and Railway Industry Supplier Qualification Scheme Limited (RISQS).

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual statement of comprehensive income.

Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. A detailed going concern statement can be found on page 7 of this annual report.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire, plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Income

Income comprises members' levies, grants from the Department for Transport and Network Rail, and commercial income.

Membership fees

Membership levy: the Constitution Agreement of RSSB sets out the funding arrangements for full members. Levies are charged at either i) the start of the financial year, or ii) quarterly (determined on the value of the levy). Income is recognised in the year to which it relates, where there is no uncertainty as to collectability. Members who join part way through the year have a pro-rata levy calculated from the date they join.

Affiliation fees: fees are charged when a company signs an Affiliation Agreement and on the anniversary of thereafter; income is recognised evenly across the year of the affiliation.

Grants

Grants are recognised based both on the performance model and the accrual model, applied on a class-by-class basis. Treatment reflects the conditions relating to each grant.

The Research and Development grant is based on the performance model. The grant does not impose specified future performance conditions on the recipient and therefore is recognised fully in the year of receipt and the year to which it relates.

The Innovation and Technical, and Sustainability grants are based on the accrual model relating to revenue. Grants under the accrual model relating to revenue shall be recognised on a systematic basis over the period in which the entity recognises the related costs for the grant. The grants are treated as deferred income until the matching expenditure occurs.

Other miscellaneous grants may be awarded and are recognised at the point when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Railway Industry Supplier Qualification Scheme (RISQS)

RISQS Membership Fees: Membership fees are charged when a company joins the scheme, and on the anniversary of membership thereafter; income is recognised evenly over the year, from the period of receipt.

RISQS Audit Fees: Audit income is recognised once the audit has been completed and the first audit report has been produced.

Other revenue streams

CIRAS membership levy: Levies are charged at the start of the financial year. Income is recognised in the year to which the levy relates and where there is no uncertainty as to collectability.

RDDS: Revenue from the sale of drawings is recognised when the significant risks and rewards of ownership of the drawings have passed to the customer—usually on dispatch of the drawings, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably and where no uncertainty as to the collectability.

R2: Levies for use of the R2 Industry System are charged either i) at the start of the financial year, or ii) quarterly (determined on the value of the levy). Income is recognised in the year to which it relates, where there is no uncertainty as to collectability.

Close call: Funding for Close Call for hosting and support from Network Rail is recognised when it is received and in the year to which it relates.

Digital Rule Book: Revenue from license subscriptions to the Digital Rule Book are recognised on receipt of a signed license agreement and is recognised in the year to which it relates, where there is no uncertainty as to collectability.

Training courses and conferences: Revenue from training courses is recognised once the obligation has been discharged and for conferences once the event has occurred.

Consultancy: Commercial income from consultancy for a single performance obligation is recognised on an hourly basis, when the service has been provided. Fixed fee consultancy revenue is recognised when the stage of completion can be reliably measured using a percentage of completion method.

Interest: Recognised as interest accrues using the effective interest method.

Dividend income: Recognised when the Group's right to receive payment is established.

The total amount receivable by the Group for goods supplied and services provided, excludes VAT and trade discounts.

Tangible Fixed Assets and Depreciation

Capitalisation

Expenditure on assets in excess of £500 is capitalised.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all fixed assets over their expected useful economic lives. A straight-line method of depreciation is used for all assets. The useful economic lives generally applicable are:

Servers and IT hardware	Five years on a straight-line basis
Computers	Three years on a straight-line basis
Fixtures and fittings	Five years on a straight-line basis
Office equipment	Five years on a straight-line basis
Leasehold improvements	Over the life of the lease on a straight-line basis

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their estimated useful lives, as follows:

Software applications	Between four and ten years on a straight-line basis
Safety Management Intelligence System (SMIS) (Software)	Up to ten years on a straight-line basis

Where factors, such as technological advancement or changes in market price, indicate the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Capitalisation

Costs associated with maintaining computer software are recognised as an expense as incurred. Expenditure on software is expensed except for major items over £10,000, which may be capitalised.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when these criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it; or make available for our members and/or industry
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available
- the expenditure attributable to the software during its development can be reliably measured.

The internal costs, when measurable, are taken into account in assessing the cost of software assets.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Costs associated with maintaining computer software are recognised as an expense as incurred. External expenditure on software is expensed except for major items over £10,000, which may be capitalised. Incremental costs below £10,000 but which accumulate to be in excess of £10,000 will be capitalised if there is a long-term economic benefit.

Valuation of investments

Unlisted and listed investments are measured at market value at each balance sheet date. Gains and losses on revaluation are recognised in the Statement of Comprehensive Income for the period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of twelve months or less, and bank overdrafts.

Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Provisions

Provisions are recognised when the Group has a present obligation arising from a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material.

Employee benefits

The Group provides a range of benefits to employees, including an annual performance related pay plan, paid holiday arrangements, defined benefit pension plans, defined contribution pension plans, medical care, etc.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual Performance Related Pay Plan

The Group operates an annual performance related pay plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Defined Benefit Scheme

The defined benefit pension scheme benefits all members of the scheme, including current and past employees. Scheme assets are measured at 'fair value'. Scheme liabilities are measured on an actuarial basis using the 'projected unit' method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost, past service cost adjustments, and costs from settlements and curtailments, are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance expenses. Actuarial gains and losses are reported in the statement of comprehensive income.

Financial instruments

The Group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Reserves

RSSB's reserves arise from prior surpluses. The funding of these surpluses has different sources which would affect the way the reserve would be allocated if a decision was taken to run it down.

The RSSB Board decided in 2005 that part of the reserve would be clearly linked to Research and Development. Surpluses arising from Department of Transport (DfT) grants and CIRAS are restricted in use.

The Group separates the income and expenditure reserve into these activities:

- 'Member funded' relates to activities funded by RSSB members.
- 'R&D' is a reserve created by the RSSB Board in case of a shortfall in funding for Research & Development activities.
- 'R&D grant' consists of surpluses arising on funds provided by the Department for Transport for Research & Development activities.
- 'Innovation' consists of the interest on cash balances held by RSSB for Innovation activities.
- 'Sustainability' consists of the interest on cash balances held by RSSB for Sustainability activities.
- 'CIRAS' consists of surpluses arising on CIRAS member funded activities.
- 'RDDS' consists of accumulated trading surpluses.
- 'General' consists of items of a RSSB-wide nature which cannot be allocated to a particular business area, chiefly the liability on the pension scheme.

Key accounting estimates and assumptions

In the application of the Group's accounting policies, the directors are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Impairment of intangible assets (Note 6)

The Group considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Provisions (Note 12)

Provision is made for asset retirement obligations, onerous contracts, other employment obligations, dilapidations, and contingencies.

These provisions require management's best estimate of the costs that will be incurred, based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined Benefit Pension Scheme (Note 16)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, pension increases (CPI measure), increases to deferred pensions (CPI measure), price inflation (RPI measure), asset valuations and the discount rate. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 4.90% is higher than the rate of 2.75% used in the prior year.

This is the key driver that has resulted in the actuarial report and these financial statements showing a reduced defined benefit liability, and the financial statements reflecting a break-even position.

FRS102 allows an entity to recognise a surplus (net asset) within the pension scheme "only to the extent that it is able to recover that surplus either through reduced contributions in the future or refunds from the plan". RSSB considers it unlikely that a surplus being recognised would result in a repayment of reduction in contributions, given that such a surplus is expected to be only temporary.

Therefore, although the actuarial report indicates a surplus of £4.55m, the actuarial gain has been restricted by this amount to leave a break-even position, and neither an asset nor liability has been recognised in these financial statements.

Consolidated statement of comprehensive income

	Note	Group Year ended 31 March 2023 £'000	Group Year ended 31 March 2022 £'000
Operating income	1	52,081	50,798
Operating expenses	1	(50,312)	(48,656)
Operating profit attributable to ordinary activities		**1,769**	**2,142**
Interest receivable and similar income		452	10
Income from fixed assets investment		54	31
Other finance expenses	2/16	(530)	(650)
Loss on investment		(304)	239
Profit on ordinary activities before taxation		**1,441**	**1,772**
Tax	4	(142)	(199)
Profit for the year	5	**1,299**	**1,573**
Other comprehensive income			
Remeasurement of net defined benefit scheme	16	21,050	12,790
Other comprehensive income for the year		**21,050**	12,790
Total comprehensive income for the year		**22,349**	**14,363**

Group and company statement of financial position

	Note	Group 31 March 2023 £'000	Company 31 March 2023 £'000	Group 31 March 2022 £'000	Company 31 March 2022 £'000
Fixed Assets					
Intangible assets	6	3,611	3,424	4,529	4,313
Tangible fixed assets	7	1,220	1,220	1,200	1,200
Investments	8	5,554	4,281	5,858	4,517
		10,385	**8,925**	**11,587**	**10,030**
Current assets					
Debtors	10	12,509	13,009	8,666	8,518
Cash at bank	15	38,520	35,892	39,317	37,727
		51,029	**48,901**	**47,983**	**46,245**
Creditors: amounts falling due within one year	11	(32,036)	(30,024)	(32,739)	(30,917)
Net current assets		**18,993**	**18,877**	**15,244**	**15,328**
Total assets less current liabilities		**29,381**	**27,802**	**26,831**	**25,358**
Provision for liabilities and charges	12	(742)	(682)	(735)	(675)
Deferred tax liability	13	(70)	(70)	(129)	(129)
Retirement benefit schemes	16	-	-	(19,750)	(19,750)
Net assets		**28,566**	**27,050**	**6,217**	**4,804**
Reserves					
Reserves brought forward		6,217	4,804	(8,146)	(9,232)
Comprehensive income in the year		22,349	22,246	14,363	14,036
Reserves carried forward		**28,566**	**27,050**	**6,217**	**4,804**

The financial statements were approved and authorised for issue by the Board of Directors on 06 July 2023.

Mark Phillips
Director

Mike Brown CBE MVO
Director

Company registration number 04655675

Group statement of cash flows

	Note	Group 31 March 2023 £'000	Group 31 March 2022 £'000
Cash (outflow)/inflow from operations	14	(143)	3,613
Taxation paid		(69)	(51)
Net cash (outflow)/inflow from operating activities		(212)	3,562
Investing activities			
Interest and net investment income received		306	33
Purchase of intangible fixed assets	6	(326)	(598)
Purchase of tangible fixed assets	7	(565)	(454)
Purchase of investments	8	-	(1,600)
Net cash outflow from investing activities		(585)	(2,619)
Net (decrease)/increase in cash and cash equivalents		(797)	943
Cash and equivalents at the beginning of the year		39,317	38,374
Cash and cash equivalents at the end of the year		**38,520**	**39,317**
Cash and cash equivalents consist of			
Cash at bank and in hand		38,520	39,317
Cash and cash equivalents		**38,520**	**39,317**

Consolidated statement of changes in reserves

Group	Member funded	R&D	R&D Grant	Innovation	Sustainability	CIRAS	RDDS	General	Total Group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	5,215	4,200	964	807	-	1,021	65	(20,418)	(8,146)
Profit for the year	1,008	-	231	7	-	327	-	-	1,573
Decrease in pension liability	-	-	-	-	-	-	-	12,790	12,790
At 31 March 2022	6,223	4,200	1,195	814	-	1,348	65	(7,628)	6,217
Profit/(Loss) for the year	95	-	2,037	(936)	-	103	-	-	1,299
Decrease in pension liability	-	-	-	-	-	-	-	21,050	21,050
Transfer of reserves	(122)	-	-	122	-	-	-	-	-
Retained reserves carried forward at 31 March 2023	6,196	4,200	3,232	-	-	1,451	65	13,422	28,566

Included in Member Funded reserves is a £0.5m (2022: £0.5m) Pension Risk Fund, which has been set aside and to increase the proportion of any future deficit contributions the Group (Employer) might choose to pay (over and above the existing shared cost basis) to ensure the scheme remains affordable for active scheme members.

The Innovation division ceased operating in the year, the majority of projects undertaken by the division having been completed in the prior year. On agreement with DfT, unspent grant funds have predominantly been reallocated for the funding of Sustainability projects, with the balance remaining for future allocation held by Member Division in a ring-fenced account. Final accounting has been completed with Innovation interest income earned on bank deposits, previously held in reserves, now returned. £1.3m is retained by the Member Division to reflect the ongoing pension scheme liability in respect of former Innovation employees; £0.9m is held in current liabilities and is likely to be invested in the scheme as an additional contribution in FY23/24 through the process of the 2022 triennial valuation; and £0.4m has been credited to income against future pension scheme running costs.

RAIL SAFETY AND STANDARDS BOARD LIMITED
COMPANY STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

Company	Member funded	R&D	R&D Grant	Innovation	Sustainability	General	Total Company
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2021	5,215	4,200	964	807	-	(20,418)	(9,232)
Profit for the year	1,008	-	231	7	-	-	1,246
Decrease in pension liability	-	-	-	-	-	12,790	12,790
At 31 March 2022	6,223	4,200	1,195	814	-	(7,628)	4,804
Profit/(Loss) for the year	95	-	2,037	(936)	-	-	1,196
Decrease in pension liability	-	-	-	-	-	21,050	21,050
Transfer of reserves	(122)	-	-	122	-	-	-
Retained reserves carried forward at 31 March 2023	6,196	4,200	3,232	-	-	13,422	27,050

See notes under Group table above.

Notes to the financial statements

1. INCOME AND EXPENDITURE ON OPERATING ACTIVITIES

Income by activity	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Member funded activities	38,537	36,034
Research and Development	9,936	9,467
Sustainability	1,422	1,565
Innovation (Future Railway and Technical programmes)	422	2,020
CIRAS	1,696	1,654
RDDS	68	58
Total income from operating activities	**52,081**	**50,798**

Income by function	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Membership levy	25,936	25,159
Affiliation fees	805	818
R2 Subscription levy	2,048	2,098
Department for Transport grant for R&D	9,936	9,465
Department for Transport grant for Innovation and Technical	22	2,020
Department for Transport grant for Sustainability	1,422	1,565
CIRAS membership levy	1,696	1,654
RDDS activities	68	58
Close call safety system funding	331	322
Digital rulebook	227	184
Training	457	423
Consultancy	1,050	616
RISQS and other supplier assurance services	6,682	6,285
Miscellaneous income	1,001	131
Innovation close down	400	-
Total income from operating activities	**52,081**	**50,798**

All income arose from UK operations.

INCOME AND EXPENDITURE ON OPERATING ACTIVITIES (CONTINUED)

Expenditure by activity	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Member funded activities	37,552	34,391
Research and Development	7,653	10,224
Sustainability	2,470	1,913
Innovation (Future Railway and Technical programmes)	941	613
CIRAS	1,538	1,367
RDDS	158	148
Total expenditure from operating activities	**50,312**	**48,656**

Expenditure by function	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Direct costs of sales	4,147	4,041
Staff payroll costs (Note 3)	27,219	24,895
Other staff costs and staff travel	2,412	2,318
Technical support (Member)	3,049	1,412
Technical support (R&D and Innovation)	1,782	5,511
Property costs including rent	2,244	2,203
IT external expenditure (includes cost of Safety Management Information System and R2)	5,221	5,085
Professional fees including insurance/legal/accountancy/tax	495	360
Publications/events/other media	1,148	947
Amortisation	1,244	1,317
Depreciation	545	434
RDDS	148	133
CIRAS technical recharge	(278)	-
Innovation close down	936	-
Total	**50,312**	**48,656**

INCOME AND EXPENDITURE ON OPERATING ACTIVITIES (CONTINUED)

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Auditors' remuneration included above:		
Fees payable for the audit of the Group's annual accounts	48	44
Other related services including taxation services	14	28
	62	**72**

2. OTHER FINANCE EXPENSES

Analysis of the amount charged to other finance expenses

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Net interest on net defined benefit liability	(530)	(650)
	(530)	**(650)**

3. DIRECTORS AND EMPLOYEES

Staff payroll costs during the year were:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Salaries	21,533	19,269
Restructuring cost	104	290
Social security	2,731	2,366
Pension contributions	2,851	2,970
	27,219	**24,895**

DIRECTORS AND EMPLOYEES (CONTINUED)

	2023 Number	2022 Number
Staff employed	**356**	**338**

The average number of staff employed is calculated using the actual numbers of employees at the end of each period and using the total number of periods as the base for calculating the year's average.

Remuneration in respect of directors was:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Emoluments	609	590
Amounts paid to third parties in respect of Directors' services	2	43
Pension contributions	1	9
	612	**642**

No directors participated in the defined benefit pension scheme during the year (2022: one).

The amounts above include remuneration in respect of the highest paid director set out below.

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Emoluments	375	290
	375	**290**

A restricted bonus was paid to the Executive Committee, including the highest paid director, for the year ended 31 March 2022, in recognition of the impact of Covid-19 on RSSB and our members.

4. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	**£'000**	**£'000**
UK corporation tax on profits for the current period	201	69
Adjustment in respect of prior years	-	1
	201	70
Deferred tax		
Origination and reversal of timing differences	(59)	129
Total tax charge	**142**	**199**

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained as follows:

Profit on ordinary activities before tax	1,441	1,772
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2022: 19%)	274	337
Effect of:		
Expenses not deductible for tax purposes	305	66
Income not taxable for tax purposes	(367)	(329)
Exempt ABGH distributions	(10)	(6)
Chargeable (losses)/gains	(58)	105
Adjustment for tax charge in respect of previous period	(1)	3
Remeasurement of deferred tax for changes in tax rates	(16)	31
Movement in deferred tax not recognised	15	(8)
Current tax charge for period	**142**	**199**

5. HOLDING COMPANY PROFIT

Of the £1,299k Group profit for the financial year (2022: Group profit of £1,573k), £1,196k profit is dealt with in the accounts of the company itself (2022: profit of £1,246k).

RDDS made a profit of £252 for the financial year (2022: profit of £110).

CIRAS made a profit of £103k (2022: profit of £327k).

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

6. INTANGIBLE FIXED ASSETS

Group	Software	Total
Cost	**£'000**	**£'000**
At 1 April 2022	12,886	12,886
Additions	326	326
Total as at 31 March 2023	13,212	13,212
Amortisation		
At 1 April 2022	(8,357)	(8,357)
Amortisation expense for the year	(1,244)	(1,244)
Total as at 31 March 2023	(9,601)	(9,601)
Net Book value at 31 March 2023	3,611	3,611
Net Book value at 31 March 2022	4,529	4,529

Software additions relate to enhancements to the Safety Management Intelligence System, R2, Standards Consultation Register, CRM, Business Central, People Portal, the Data Insights Platform, Planful budgeting software and the CIRAS reporting app.

INTANGIBLE FIXED ASSETS (CONTINUED)

Company	Software	Total
Cost	**£'000**	**£'000**
At 1 April 2022	12,597	12,597
Additions	308	308
Total as at 31 March 2023	12,905	12,905
Amortisation		
At 1 April 2022	(8,284)	(8,284)
Amortisation expense for the year	(1,197)	(1,197)
Total as at 31 March 2023	(9,481)	(9,481)
Net Book value at 31 March 2023	3,424	3,424
Net Book value at 31 March 2022	4,313	4,313

7. TANGIBLE FIXED ASSETS

Group	Servers & IT hardware	Leasehold Improve-ment	Computer	Office Equipment	Fixtures & Fittings	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2022	868	2,005	513	7	409	3,802
Additions	385	169	11	-	-	565
Total as at 31 March 2023	1,253	2,174	524	7	409	4,367
Depreciation						
At 1 April 2022	(607)	(1,272)	(326)	(6)	(391)	(2,602)
Depreciation expense for the year	(75)	(299)	(159)	(1)	(11)	(545)
Total as at 31 March 2023	(682)	(1,571)	(485)	(7)	(402)	(3,147)
Net Book value at 31 March 2023	571	603	39	-	7	1,220
Net Book value at 31 March 2022	261	733	187	1	18	1,200

TANGIBLE FIXED ASSETS (CONTINUED)

Company	Servers & IT hardware	Leasehold Improve-ment	Desktops & Laptops	Office Equipment	Fixtures & Fittings	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2022	868	2,005	513	7	409	3,802
Additions	385	169	11	-	-	565
Total as at 31 March 2023	1,253	2,174	524	7	409	4,367
Depreciation						
At 1 April 2022	(607)	(1,272)	(326)	(6)	(391)	(2,602)
Depreciation expense for the year	(75)	(299)	(159)	(1)	(11)	(545)
Total as at 31 March 2023	(682)	(1,571)	(485)	(7)	(402)	(3,147)
Net Book value at 31 March 2023	571	603	39	-	7	1,220
Net Book value at 31 March 2022	261	733	187	1	18	1,200

8. FIXED ASSETS INVESTMENT

Group

Cost	**£'000**
At 1 April 2022	5,300
Total as at 31 March 2023	5,300
Returns	
At 1 April 2022	558
Movement in the year	(304)
Total as at 31 March 2023	254
Valuation as at 31 March 2023	5,554
Valuation as at 31 March 2022	5,858

Included in returns movement in the year was net loss on valuation of £305k, and dividend income net of fees of £1k.

The fair value of the investment has been arrived at as the market value based on the valuation report provided by Schroders Cazenove Bank as at 31 March 2023.

Company

Cost	**£'000**
At 1 April 2022	4,000
Total as at 31 March 2023	4,000
Returns	
At 1 April 2022	517
Movement in the year	(236)
Total as at 31 March 2023	281
Valuation as at 31 March 2023	4,281
Valuation as at 31 March 2022	4,517

9. FINANCIAL INSTRUMENTS

	Group 31 March 2023	Company 31 March 2023	Group 31 March 2022	Company 31 March 2022
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	54,528	51,128	52,311	49,232
Carrying amount of financial liabilities				
Measured at amortised cost	7,429	7,269	8,623	8,494

Financial risk management

The Group is exposed two main areas of financial risk—interest rate risk and liquidity risk. The Group uses a treasury function to manage these risks. The Group's financial instruments comprise various financial assets and financial liabilities such as trade debtors, cash, trade creditors and deferred income. The Group does not use derivative financial instruments at present.

Interest rate risk

The Group is exposed to fair value interest rate risk on its floating rate deposits. The objective of the Group in managing interest rate risk is to maximise interest income by placing excess cash resources into fixed term deposits at a fixed rate of return.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Group will utilise its excess cash resources.

10. DEBTORS

	Group 31 March 2023	Company 31 March 2023	Group 31 March 2022	Company 31 March 2022
	£'000	£'000	£'000	£'000
Trade debtors	9,538	9,264	6,428	5,997
Other debtors and accrued income	916	909	708	708
Inter-company debtor	-	781	-	283
Prepayments	2,055	2,055	1,530	1,530
	12,509	**13,009**	**8,666**	**8,518**

Trade debtors include £0.1m bad debt provision (2022: £0.1m) relating to outstanding amounts that were 60 days overdue at the year end. The increase in trade debtors is due to the timing of invoices at each year end.

Other debtors and accrued income comprise:

- employee loans for season ticket and Cycle to work scheme £19k (2022: £7k)
- rent deposit £0.6m (2022: £0.6m)
- accrued income £0.1m (2022: £0.1m)

Prepayments relate to payment for services has been made in advance of the delivery of the services £2.1m (2022: £1.5m), mainly timing related impact on quarterly rent in advance and system and software annual subscription with single upfront payments.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 March 2023	Company 31 March 2023	Group 31 March 2022	Company 31 March 2022
	£'000	£'000	£'000	£'000
Trade creditors	708	667	428	428
Corporation tax	201	197	69	68
Other taxation and social security costs	2,290	2,290	1,945	1,945
Accruals and other creditors	6,722	6,602	8,194	8,065
Deferred income	22,115	20,268	22,103	20,411
	32,036	**30,024**	**32,739**	**30,917**

Accruals and deferred income comprise:

- accruals for cost of work done but not yet invoiced £2.7m (2022: £3.1m)
- staff pay and holiday pay £3.5m (2022: £4.3m)
- lease incentives of £0.5m (2022: £0.7m)
- cash held on behalf of third parties £8k (2022: £21k) and deferred income £22.1m (2022: £22.1m).

Deferred income relating to membership levies and R2 subscription levies for 2023-24 that have already been invoiced totals £8.5m (2022: £7.1m).

Deferred income also includes £7.3m (2022: £10.4m) of Department for Transport (DfT) grant funding for Research and Development, Innovation, and Sustainability received but not yet recognised as the corresponding expenditure, though planned, has yet to occur.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Company £000	RDDS Library £000	Group £000
At 1 April 2022	**675**	**60**	**735**
Released in the year	(225)	-	(225)
Charged in the year	232	-	232
As at 31 March 2023	**682**	**60**	**742**

Dilapidations

RSSB has a lease in The Helicon building until the end of 2024. The estimated liability arising from the make good requirement in the lease for The Helicon was estimated at £450k (£20 per square foot). This has increased during the year to £619k (£27.50 per square foot) following advice from external property advisors. RSSB provides for the full potential cost of the make good requirement in the lease of the office premises as well as for the leasehold improvement asset. The asset is depreciated over the life of the lease.

Reorganisation

During the year, the Group made a reorganisation provision of £64k (2022: £225k). As at the year end, reorganisation provision was £64k (2022: £225k).

RDDS Library

The provision raised represents the RDDS directors' best estimate of the costs of closing the RDDS library which is expected to include the proper packaging and orderly transportation of the drawings and documents to a third party and/or their destruction. As at the year end, RDDS library provision was £60k (2022: £60k).

13. DEFERRED TAX

GROUP AND COMPANY

	Liabilities 31 March 2023 £'000	Liabilities 31 March 2022 £'000
Capital gains on fixed assets investment	70	129

	£'000
Movement in the year:	
Liability at 1 April 2022	129
Charge to profit or loss	(59)
Liability at 31 March 2023	70

14. NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 31 March 2023 £'000	Group 31 March 2022 £'000
Operating profit	1,769	2,142
Depreciation and amortisation	1,788	1,751
(Increase) in debtors	(3,643)	(2,828)
(Decrease)/increase in creditors	(835)	1,341
Difference between pension charge and cash contributions	771	1,040
Increase in provisions	7	167
Net cash (outflow)/inflow from operating activities	**(143)**	**3,613**

15. CASH AT BANK AND IN HAND

As at 31 March 2023, the Group had cash balances of £38.5m (2022: £39.3m). These included Member division cash balance of £20.7m (2022: £22.0m), R&D cash of £7.8m (2022: £5.8m) Innovation cash of £3.4m (2022: £5.1m), Sustainability cash of £4.1m (2022: £5.0m) and CIRAS cash of £2.5m (2022: £1.5m).

16. RETIREMENT BENEFIT SCHEMES

Information about the Scheme:

- The Rail Safety and Standards Board Section ('the Section') is part of the Railways Pension Scheme, but its assets and liabilities are identified separately from the remainder of the Scheme ('the Scheme').
- The Scheme is a defined benefit final salary scheme.
- To address the long-term sustainability of RSSB's Section of the Scheme, restrictions on access to new members came into force from 1 July 2018, effectively meaning that (with a few exceptions) new employees will be automatically enrolled into a defined contribution arrangement. The Scheme will become restricted to new members but remain open to future accruals for existing members and will also be treated as an open scheme by the Scheme actuary.
- The Scheme is a shared cost arrangement whereby the company is only responsible for a share of the cost (60%).
- Employer contributions are 13.79% (2021/22:13.07%) of Section Pay (60% of the long-term future service joint contribution rate determined at the 31 December 2019 valuation).

As explained in Key accounting estimates and assumptions (page 27), at year end the actuarial valuation of the scheme shows a surplus of £4.55m, however this has been restricted in the financial statements to leave a break-even position.

Financial assumptions

The assumptions provided and used by the actuary are set out in the table below.

	31 March 2023 % pa	31 March 2022 % pa
Discount rate	4.90	2.75
Price inflation (RPI measure)	3.05	3.30
Increases to deferred pensions (CPI measure)	2.65	2.90
Pension increases (CPI measure)	2.65	2.90
Salary increases *	2.65	2.90

* plus 0.50% pa promotional salary scale at 31 March 2023 and 0.40% at 31 March 2022

RETIREMENT BENEFIT SCHEMES (CONTINUED)

Fair value of section assets

	At 31 March 2023 Fair value £'000	At 31 March 2022 Fair value £'000
Equities	101,310	105,730
Government Bonds	15,580	16,420
Property	40	30
Other assets	290	120
Total	**117,220**	**122,300**

Pension scheme liability at the end of the year

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Actuarial valuation of pension liabilities	(109,630)	(155,200)
Members' share of deficit	(3,040)	13,150
Adjusted value of section liabilities	**(112,670)**	**(142,050)**
Closing value of section assets	117,220	122,300
Irrecoverable surplus	(4,550)	-
Pension scheme liability to be recognised in the statement of financial position	-	**(19,750)**

Reconciliation of Pension Scheme Liability

	Year ended 31 March 2022 £'000	Year ended 31 March 2022 £'000
Opening pension scheme liability	(19,750)	(30,850)
Employer contributions	1,160	1,220
Employer's share of service cost and admin costs	(1,930)	(2,260)
Employer's share of net interest cost on net Defined Benefit Liability	(530)	(650)
Actuarial gain recognised in Other Comprehensive Income	21,050	12,790
Closing liability	-	**(19,750)**

RETIREMENT BENEFIT SCHEMES (CONTINUED)

Components of defined benefit cost

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Current service cost	1,780	2,100
Employers share of administration costs	150	160
Total charged to operating profit	**1,930**	**2,260**
Analysis of the amount charged to other finance charge:		
Employer's share of net interest on net defined benefit asset	(530)	(650)
Net debit to other finance charge	**(530)**	**(650)**

The following two tables show the movement in the assets and the liability of the Section as a whole. Some of the figures therefore differ from those in the other disclosures, which reflect the company's share of the costs and liabilities associated with the Section.

Reconciliation of Section liabilities

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Opening Section liabilities	155,200	163,970
Service cost	2,950	3,490
Interest cost	4,230	3,480
(Gain) on Section liabilities	(49,660)	(11,380)
Actual benefit payments	(3,090)	(4,360)
Closing Section liabilities	109,630	155,200

RETIREMENT BENEFIT SCHEMES (CONTINUED)

Reconciliation of value of assets

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Opening value of Section assets	122,300	112,570
Interest income on assets	3,340	2,390
Return on plan assets greater than discount rate	(6,960)	9,960
Employer contributions	1,160	1,220
Employee contributions	720	790
Actual benefit payments	(3,090)	(4,360)
Administration costs	(250)	(270)
Closing value of Section assets	**117,220**	**122,300**

Analysis of the amounts recognised in the Statement of Other Comprehensive Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
(Loss)/gain on pension assets	(4,170)	5,980
Gain arising on pension liabilities	29,770	6,830
Irrecoverable surplus	(4,550)	-
Total gain recognised in OCI	**21,050**	**12,810**

Historical information

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Section liabilities	(109,630)	(155,200)	(163,970)	(136,720)	(139,790)
Section assets	117,220	122,300	112,570	98,630	96,850
Surplus/(deficit)	7,590	(32,900)	(51,400)	(38,090)	(42,940)
Experience (gain)/loss on Section liabilities	(29,770)	(6,830)	14,490	(4,190)	4,870
Experience loss/(gain) on Section assets	4,170	(5,980)	(7,830)	(440)	(2,420)

17. LEASING COMMITMENTS

Total future minimum lease payments due under non-cancellable operating leases:

	Year ended 31 March 2023		Year ended 31 March 2022	
	Other	Land and buildings	Other	Land and buildings
	£'000	£'000	£'000	£'000
In one year or less	12	885	13	1,180
Between one and five years	10	-	19	2,065
Total	**22**	**885**	**32**	**3,245**

18. TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

RSSB is a member owned company set up to provide services to the GB rail industry. Many of RSSB's transactions are with its members, particularly with Network Rail. Most Board members are appointed from within the industry and hence work for companies with which RSSB transacts, again, including Network Rail. However, our Board members from member companies play no role in selecting suppliers in the award of contracts to particular parties.

The Directors are confident that sufficient governance is in place to ensure an objective process in the selection of suppliers.

Directors are also asked to declare their interests at Board meetings and to keep the Company Secretary informed of any likely interests which may affect their legal duty to act in the best interests of RSSB.

19. CAPITAL COMMITMENTS

As at 31 March 2023, RSSB had entered into capital commitments of approximately £0.3m (2022: £0.3m) relating to the development of a Whole system risk model, a Runaway risk decision tool, improvements to the R2 system, and ongoing development of other existing systems.

20. POST BALANCE SHEET EVENTS

There have been no post balance sheet events to report.

21. SUBSIDIARIES

Details of the company's subsidiaries at 31 March 2023 are:

Name of undertaking	Country of incorporation	Registered office	Holding (per share class)	Type of shares held	Nature of business
Railway Documentation and Drawing Services Limited	England and Wales	The Helicon, 4th Floor, 1 South Place London, EC2M 2RB	100%	Ordinary shares	Custodian of the Traction and Rolling Stock library
Confidential Incident Reporting and Analysis Service Limited	England and Wales	The Helicon, 4th Floor, 1 South Place London, EC2M 2RB	100%	N/A*	Confidential Reporting Service
Railway Industry Supplier Qualification Scheme Limited	England and Wales	The Helicon, 4th Floor, 1 South Place London, EC2M 2RB	100%	Ordinary shares	Dormant

Confidential Incident Reporting and Analysis Service Limited (CIRAS) is a company limited by guarantee and as such has no share capital. It is controlled by RSSB by virtue of it being the principal guarantor. It was incorporated on 6 December 2016 and has the same year end as RSSB.

22. CONTROL

The company is not under the control of any one entity or individual.