



Royal College of Occupational Therapists

Annual Report of Council

30 September 2019

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REPORT OF COUNCIL

(incorporating the Trustees' Report, the Directors' Report and the Strategic Report)

Council presents the report and financial statements of the Royal College of Occupational Therapists for the year ended 30 September 2019. The financial statements comply with the Statement of Recommended Practice for Accounting and Reporting by Charities ("FRS102") applicable accounting standards and the Companies Act 2006.

Patron

HRH The Princess Royal, GCVO

President

Professor Sheila the Baroness Hollins

Vice Presidents

Professor Sir Mansel Aylward CB

Professor Sir Clive Booth

Colin Ettinger

Chair of Council

Dr Patricia McClure (retired 17/06/19)

Professor Diane Cox (appointed 17/06/19)

Vice Chair of Council

Professor Priscilla Harries (retired 17/06/19)

Lyn Westcott (appointed 17/06/19)

Capacity

Council Member

Chair

Dr Patricia McClure (retired 17/06/19)

Professor Diane Cox (appointed 17/06/19)

Trade Union / UNISON

Deborah Reilly (appointed 17/06/19)

Peter Hewin (retired 17/06/19)

International

Sandra Rowan

Welsh Board

Kim Atkinson

Northern Ireland Board

Lena Canavan

Scottish Board

Fiona Warrender

English Board

Alison Wilcox

Capacity

Research & Development Board

Learning and Development Board

Council Member

Professor Priscilla Harries (retired 17/06/19)
Dr Duncan Pentland (appointed 17/06/19)

Lyn Westcott

Secretary

Julia Scott

Registered Office

106-114 Borough High Street
Southwark
London, SE1 1LB

LEGAL AND ADMINISTRATIVE INFORMATION

Charity name ("RCOT")	Royal College of Occupational Therapists (formerly the College of Occupational Therapists Limited – name changed in April 2017)			
Country of incorporation	United Kingdom			
Charity registration numbers	England and Wales		275119	
	Scotland		SCO39573	
Company registration number	01347374			
Registered Office	106-114 Borough High Street Southwark London SE1 1LB			

Trustees

The business of RCOT is managed by the members of its Council. Council members are trustees for the purpose of charity law and directors for the purpose of company law. Council members do not receive remuneration and have no beneficial interest in the share capital of the company. Members who have served on Council during the year are shown on pages 4 and 5 of this report.

Company Secretary	Julia Scott
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Business Management Group

Chief Executive	Julia Scott
Director of Human Resources	Diana Atkinson
Director of Finance & Corporate Services	Gareth Price left 20/11/18 Trevor White appointed 02/01/19
Assistant Director, Professional Practice	Karin Bishop left 28/06/19 Karin Orman appointed 15/07/19
Assistant Director, Communications and Marketing	Clare Cochrane
Director of Professional Operations	Julia Skelton left 28/06/19 Karin Bishop appointed 28/06/19
Assistant Director, Education & Research	Dr Joanne Watson

Auditors

BDO LLP, 55 Baker Street, London, W1 7EU

Bankers

HSBC Bank Plc, 15-17 Praed Street, Paddington, London, W2 1NJ

LEGAL AND ADMINISTRATIVE INFORMATION - continued

Investment Managers

W H Ireland Ltd, 24 Martin Lane, London, EC4R 0DR
HSBC Private Bank (UK) Ltd, 8 Cork Street, London, W1S 3LJ
Close Brothers, 10 Exchange Square, Primrose Street, London, EC2A 2BY

Solicitors

DAC Beachcroft LLP, 100 Fetter Lane, London EC4 1BN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

RCOT is a company limited by shares and a registered charity and is governed by its Memorandum and Articles of Association.

The British Association of Occupational Therapists Limited (BAOT) is the holding company for RCOT. BAOT is the professional association and trade union for occupational therapists in the UK.

Recruitment and appointment of Council Members

The composition, appointment, election and retirement of members of Council are governed by the Council Rules.

All the Council members are professional members of the professional association.

Council members are appointed for a three-year term commencing from the Annual General Meeting in June each year. Because of the staggered nature of their appointment, there will be some Council members that come to the end of their term of office every year. Nominations for new Council members have to be received in March each year. If more than one person is nominated for any vacancy on Council, then there is a formal election process involving the membership and conducted using independent scrutineers.

Induction and training of Council Members

All new Council members are provided with an induction pack that comprises all of the formal documents relating to the governance of RCOT together with the relevant Charity Commission publications and other general guidance regarding the management and administration of the organisation. All new Council members then attend a formal induction at RCOT when they meet with the Chair and senior officers. The new Council members receive various presentations during the day, particularly around their legal and financial responsibilities. They are also briefed on the organisation's policy on conflict of interest and required to complete (and keep up-to-date) a declaration of interest return. There is also the opportunity to raise questions and discuss areas of particular concern or interest.

All Council members are provided with professional advice and training as required either by staff or by independent advisers, as appropriate. Council members are kept updated on current good practice by the company secretariat.

All these procedures are kept under regular review.

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational structure

Council members meet together as a Council four times a year. In addition, there are a number of Boards and Committees that report into Council and these all operate under their agreed Terms of Reference. These Boards and Committees comprise, in the main, a trustee along with other members of the profession and, generally, meet three times a year.

Council's principal responsibilities are governance, strategy, planning and significant operational decisions. Council has delegated most aspects of day-to-day management for the organisation to the Chief Executive, assisted by a group of senior managers. Council approves the delegation of financial authority through the Chief Executive with specific limits imposed within an approved scheme of delegation.

Remuneration of key management personnel

RCOT benchmarks the payment of key management personnel in accordance with the RCOT pay and benefits review undertaken in 2008/9, as endorsed by Council. The objective is to ensure that all RCOT salaries, for all grades of employees, remain competitive and within the median range of the not for profit sector and SME businesses in London. All salaries within RCOT are evaluated into an established Hay job evaluation pay grade structure.

STRATEGIC REPORT

Objectives and Activities

The principal objectives of RCOT are the promotion of the science of occupational therapy and the training, education and continuing development of occupational therapists.

In setting these objectives and developing its strategic plan, RCOT has given careful consideration to the public benefit as it relates to its charitable purposes. In particular, Council members (as the charity trustees) believe that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance as published by the Charity Commission. RCOT aims to contribute to the public good in all its activities in the United Kingdom (UK). It seeks to achieve this by ensuring that:

- The occupational therapy profession is focused on helping to improve the health and wellbeing of the UK population.
- The public is made aware of how occupational therapy can benefit individuals and make a positive difference to their lives.
- Users of occupational therapy services receive professional, evidence-informed services.
- Occupational therapists have access to Continuing Professional Development guidance and advice that helps them to optimise their competencies and so provide high quality care for both service users and carers.
- Occupational therapists are supported, provided with information to ensure excellence in their practice and kept well informed so that they can anticipate and react to changing needs and demands.

RCOT sets the professional and educational standards for occupational therapy. It provides leadership, guidance and information relating to research and development, education, practice and lifelong learning.

RCOT has a set of 5-year strategic intentions for the years 2018 to 2023 with three main aims:

1. Position the Profession, and our members, for the 21st century.
 - To provide leadership for the profession during challenging and changing times in the fields of health and social care, ensuring the profession is ready to adapt to new models of care.
 - To ensure that our members are seen as experts in the provision of person centred health and care arrangements and providers of services of the very highest quality.
 - To support new models of practice and expertise by providing timely and high quality CPD opportunities.

STRATEGIC REPORT - continued

Objectives and Activities - continued

2. Enhance the profile of the profession to a range of audiences.

To ensure key stakeholders and members of the public, across the UK, understand the value of occupational therapy and our unique contribution, and seek our input across a range of sectors, including new and developing areas of practice.

3. Ensure RCOT is a thriving organisation within which members flourish.

- To ensure that the organisation thrives and prospers by promoting occupational therapy as a career of choice, increasing student membership, engaging members within its activities, being well-managed and fit for purpose and seen as the “go to” organisation for all matters relating to the profession.
- To support our members in challenging situations by providing industrial relations support and to signpost stakeholders and members of the public to appropriate experts in the field of occupational therapy.

RCOT uses occupational therapists and associates as volunteers, primarily as members of Boards and Committees and to run the RCOT branches (specialist sections and regions). There are some 350 volunteers involved with RCOT at any one time. No financial value has been attributed to the work performed by these volunteers. Nevertheless, the work is considered vital to the activities of RCOT.

Achievements and Performance

Each year, Council approves a business plan, which is then broken down into individual group and departmental action plans. A large amount of effort is required to maintain the momentum of existing initiatives and “work-in-progress” and to maintain (repetition – see line above) the existing market share of qualified occupational therapists (70% as at 30 September 2019). Some of the more notable achievements in the year relating to RCOT’s charitable activities were:

- **Public Benefit** – RCOT is very aware of its responsibilities to demonstrate that its activities are in the public benefit. Hence:
 - In 2019 RCOT received and responded to 2,211 enquiries (2018 2,157) an increase of 2.5%. Of these, 321 (14.5%) were from non-members. Out of the 321 enquiries from non-members, 200 (62%) of these were from members of the public looking for an independent occupational therapist.
 - RCOT responded positively to requests for representation from agencies such as the Care Quality Commission, Skills for Health and the Red Cross to promote occupational therapy for the benefit of the public.

STRATEGIC REPORT - continued

Achievements and Performance - continued

- RCOT continued to set the standards, requirement of practice and professional values and behaviours across the profession by continually developing professional education, practice standards and codes of behaviour and ethical conduct.
- **Promoting the profession** – RCOT looks for every opportunity to promote the value of occupational therapy. For example:
 - Its continued involvement in influencing, providing briefings for Ministers and civil servants, consultation responses and attending Government work groups on significant pieces of new legislation. During 2019, RCOT received 129 requests to engage in high level Government or key stakeholder meetings across all four nations.
 - Following on from the success of the campaign *Occupational Therapy: Improving Lives Saving Money*, in raising the profile and awareness of the profession, this year's theme is 'Small Change Big Impact,' This campaign celebrates and champions the impact of occupational therapy on the lives of service users and the communities where they live. It is based on member engagement, encouraging occupational therapists from all specialisms to share examples of best practice, successes and how they address local challenges.
 - The professional profile continues to be raised and new members are recruited through attendance and participation at trade shows and events across the UK.

RCOT attempts to maximise the impact of those factors over which it has control. At the same time, the organisation acknowledges that there are a number of key factors over which it has little or no control. In particular, the majority of its members continue to work for statutory authorities in health, social care and education. As such, the profession has a large exposure to government control, planning and funding. In addition, the professional body is not the official regulator. This role is performed by an independent body – the Health and Care Professions Council (HCPC). Occupational therapists who wish to practise have to pay their fees to HCPC and then decide whether they wish to make a further (discretionary) expenditure to join their professional body.

- **Corona virus pandemic**

The current corona virus pandemic has forced RCOT, as with many businesses, to adapt. The temporary closure of HQ provided a real challenge to ensure the staff were successfully able to continue business as usual activities, working remotely, within a very short adjustment time.

New ways of working have evolved for the organisation and we have continued to work uninterrupted throughout the outbreak. A new business continuity plan was established to mitigate against any risks posed by the pandemic.

STRATEGIC REPORT - continued

Achievements and Performance - continued

Business governance activities have continued as planned but conducted through virtual meetings.

To support members working with COVID 19, the RCOT website has new pages dedicated to providing corona virus related resources and information. Members are also emailed regular COVID updates, relevant to their work, whether it is on the front line in hospitals or care homes, or in the community.

Membership has been widened to enable retired and student members, who are volunteering to support the NHS, to benefit from membership support.

As a professional body, RCOT collaborated with national bodies for Public Health, Education and Health and Social Care policies. For example, RCOT has been actively involved in working with NHSE on the NHS Nightingale staffing, PPE and COVID care pathway processes and with HEE to develop processes to enable students to safely support the workforce.

Financial Review

The Coronavirus is expected to have a significant impact on the income streams of RCOT in the year 2019/20 especially around advertising, conference and event income. Membership income generated by BAOT however is expected to stay static or slightly increase over the year. Membership is the key income stream and amounts to 81% of income for RCOT. Costs are expected to come down slightly over the year as travel and meetings/events are restricted. RCOT's financial position remains strong however due to reserves in investments and cash deposits.

2018/19 financial review

Council report that total income for the year 2018/19 was £8.6m (2018: £8.3m). Membership subscriptions are initially paid to BAOT, which has an agreement with UNISON to provide industrial relations services. After payment of the costs of industrial relations services, BAOT transfers the balance of member subscriptions to RCOT in order to further the work of RCOT. This year, the balance of subscriptions transferred increased by 3% to £6.7m (2018 - £6.7m).

The total expenditure by RCOT for the year 2018/19 decreased by £2.8m to £8.1m (2018 - £10.9m) all of which was spent on charitable activities. A large reason for the decrease was a one-off pension cost of £3.5m to Aviva to buyout the defined benefit pension in 2018. A further £1.2m will be paid over to Aviva upon completion of the buyout; this is expected to be in 2020.

There was a net loss on investments of £0.4m (2018 - £0.1m gain) making the net surplus for the year of £0.1m (2018 - £2.5m net loss) which has been added to funds brought forward and this results in the total charitable funds of RCOT increasing to £15.1m (2018 - £15.0m).

STRATEGIC REPORT - continued

Financial Review - continued

Reserves

RCOT's unrestricted and undesignated funds amounted to £11.9m of which £1.7m is invested in fixed assets. This left £10.2m as free reserves for working capital needs at 30th September 2020.

Due to the Coronavirus, the investments of RCOT have decreased by £2.1m; this in turn reduces the free reserves to £8.1m. This level of free reserves is within the level set out in RCOT's policy, which is a range of 26 - 52 weeks of future budgeted expenditure as an acceptable level for reserves.

Fundraising

RCOT does not actively fundraise but does occasionally receives donations. No donations were received in the year.

Investments

Under the terms of its Memorandum of Association, RCOT has the power to invest funds not immediately required for its purposes in such investments as it sees fit. Council has approved a formal policy on investments. This policy incorporates Council's cautious and prudent attitude to risk whilst reflecting its ability to be able to concentrate more on growth than income.

Part of RCOT's investments are invested with professional investment fund managers. RCOT splits its investment between three fund managers: WH Ireland, HSBC Private Bank and Close Brothers. All three investment portfolios have seen significant drops since the start of the Coronavirus crisis with the total value of the portfolios falling from £9.2m to £7.1m at 31st March 2020. Funds are also invested in short term cash deposits. £2.7m is invested with Bank of Scotland in a 32 day account and funds are also placed on the money markets with HSBC, which amounted to £1m in the year. This strategy will avoid undue speculation and investments that are deemed to be illiquid. Council has reviewed its policy on ethical investments and confirmed its decision not to hold any investments in arms and tobacco companies.

RCOT has agreed with its investment managers' performance benchmarks to monitor the return on its portfolio. In the financial year 2018/19, the investments with WH Ireland underperformed the benchmark returning (12.47%), compared to the benchmark of 5.23%.

STRATEGIC REPORT - continued

Plans for Future Periods

In 2018 RCOT confirmed a set of new strategic intentions covering the period 2018-2023. These intentions focussed on ensuring the profession is ready to deliver new models of care, continuing to raise awareness of occupational therapy to key stakeholders and citizens and ensure the organisation continues to thrive by actively involving its members within its work. The COVID-19 crisis has confirmed that these intentions are still very relevant to RCOT and have determined how RCOT has sought to support its members over recent months.

In common with all businesses and charities, COVID-19 has had an impact on RCOT's investments. However, throughout the crisis RCOT has continued to work towards ensuring that its core charitable activities are sustainable from its core income by embracing the need to manage expenditure and support new income streams. This will necessitate a significant emphasis on membership subscriptions as well as an increased focus on the recruitment of new members. One opportunity presented by the COVID-19 crisis for the occupational therapy profession is the recognition by society of the importance and value of rehabilitation, which occupational therapists are highly skilled in delivering and something those that have survived COVID-19 and many others whose health care needs have been put on hold, desperately need. It is therefore likely that the unique contributions of occupational therapists in delivering rehabilitation services will be the focus of much of the RCOT's work for next year to 18 months. In addition, RCOT will concentrate on continuing to attract student members and then converting them to full membership upon graduation despite the fact that COVID-19 has meant some students have transitioned into the workplace earlier than expected.

At this time, RCOT is developing a digital transformation plan which will require wider investment in digital services across the whole organisation.

Principal Risks and Uncertainties

RCOT incorporates the management of risk into its decision-making processes. Council has agreed that the Audit Committee undertakes the detailed task of identifying the major risks, assessing their likely impact and likelihood and then recommending proposals to mitigate these risks. The Committee consists of five members: two members of Council; one senior member of the profession who is not a member of Council; and two independent external members, one of whom has a financial background and the other with appropriate skills and expertise in governance functions.

Currently, there are ten major risks that the Committee has identified and monitors regularly. Of these, the top four risks relate to sustainability of the organisation, the defined benefit pension scheme for staff, the IT infrastructure and data protection. The Audit Committee reports to Council on risk management annually. Council has reviewed these reports and takes responsibility for ensuring that all appropriate measures are implemented as business priorities.

STRATEGIC REPORT - continued

Principal Risks and Uncertainties - continued

RCOT does not actively use financial instruments as part of its financial risk management. RCOT is exposed to the usual credit and cash flow risks associated with providing its goods and services and manages these risks through its internal control procedures.

The Audit Committee has noted the significant impact that COVID 19 is having and will continue to have on the organisation and has incorporated the effects of this into the risk register. This has been included into the business continuity and asset management risks. Furthermore, the risk relating to business continuity has increased and this is now the highest risk to the organisation.

STATEMENT OF COUNCIL'S RESPONSIBILITIES

Council is responsible for preparing the Report of Council (incorporating the Trustees' Report, Directors' Report and Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires Council to prepare financial statements for each financial year. Under company law, Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of RCOT and of the incoming resources and application of resources, including its income and expenditure, of RCOT for the year. In preparing those financial statements, Council is required to:

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

Council is responsible for keeping adequate and proper accounting records that are sufficient to show and explain RCOT's transactions and to disclose with reasonable accuracy at any time the financial position of RCOT and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Act (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006. It is also responsible for safeguarding the assets of RCOT and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is responsible for the maintenance and integrity of the financial information included on RCOT's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Each of the Council members have confirmed that, so far as they are aware, there is no relevant audit information of which RCOT's auditors are unaware and that they have taken all the steps that they individually ought to have taken as a Council member in order to make themselves aware of any relevant audit information and to establish that RCOT's auditors are aware of that information.



106-114 Borough High Street
London, SE1 1LB

BY ORDER OF COUNCIL
Chairman – Professor Diane Cox
16 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL COLLEGE OF OCCUPATIONAL THERAPISTS

Opinion

We have audited the financial statements of the Royal College of Occupational Therapists ("the Charitable Company") for the year ended 30 September 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 30 September 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL COLLEGE OF OCCUPATIONAL THERAPISTS - continued

Other information

The other information comprises the information included in the Annual Report of the Council, other than the financial statements and our auditor's report thereon. The other information comprises: Report of Council (incorporating the Trustees' Report, the Directors Report and the Strategic Report). The Trustees are responsible for the other information.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL COLLEGE OF OCCUPATIONAL THERAPISTS - continued

Matters on which we are required to report by exception - continued

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Council's Responsibilities, the Council Members (who are the trustees and also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL COLLEGE OF OCCUPATIONAL THERAPISTS - continued

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable

Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Phil Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 8 June 2020

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

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure Account) for the year ended 30 September 2019

		Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Incoming and Endowments from:	<i>Note</i>					
Charitable activities						
Membership subscriptions		6,575	150	-	6,725	6,688
Journals		584	23	-	607	668
Conferences and events		499	71	-	570	540
Professional activities		139	42	-	181	141
Investments		330	-	-	330	258
Other		122	36	-	158	32
Total		8,249	322	-	8,571	8,327
Expenditure on:						
Charitable activities						
Membership administration		521	35	-	556	552
Journals		842	34	-	876	878
Conferences and events		2,186	104	-	2,290	2,106
Professional activities		4,093	236	5	4,334	3,895
Other activities						
Pension buy out costs	8	-	-	-	-	3,479
Total	2	7,642	409	5	8,056	10,910
Net (losses)/gains on investments	11	(411)	-	-	(411)	112
Net income		196	(87)	(5)	104	(2,471)
Transfer between funds	16	(1,330)	1,330	-	-	-
Net movement in funds		(1,134)	1,243	(5)	104	(2,471)
Reconciliation of funds:						
Total funds brought forward at 1 October		13,080	1,882	35	14,997	17,468
Total funds carried forward at 30 September		11,946	3,125	30	15,101	14,997

All amounts derive from continuing activities. All gains and losses in the year were recognised in the Statement of Financial Activities.

The surplus for the year for Companies Act purposes was a gain of £572,877 comprising net incoming resources for the year of £514,650 plus the realised gains on investments of £58,227 (2018: loss of (£2,395,823) comprising net incoming resources of (£2,583,324) plus the realised gain on investments of £187,501).

BALANCE SHEET at 30 September 2019

Company House Number: 01347374

	Note	2019 £000	2018 £000
Fixed Assets			
Tangible assets	10	1,654	1,790
Investments	11	9,186	9,342
		<u>10,840</u>	<u>11,132</u>
Current Assets			
Debtors	12	822	513
Cash held as liquid investment	19	3,698	2,678
Cash at bank and in hand	19	682	1,859
		<u>5,202</u>	<u>5,050</u>
Creditors			
Amounts falling due within one year	13	(941)	(1,185)
		<u></u>	<u></u>
NET CURRENT ASSETS		4,261	3,865
Pension scheme liability		-	-
NET ASSETS	17	<u>15,101</u>	<u>14,997</u>
Share Capital	14	-	-
Funds			
Restricted	15	30	35
Designated - Pension Scheme	16	1,156	931
- Other		1,969	951
Unrestricted		<u>11,946</u>	<u>13,080</u>
CAPITAL and RESERVES		<u>15,101</u>	<u>14,997</u>

Approved by Council and authorised for issue on 16 April 2020



Professor Diane Cox
Chairman



Lyn Westcott
Vice Chairman

CASH FLOW STATEMENT *for the year ended 30 September 2019*

Statement of cash flows

	<i>Note</i>	2019 £000	2018 £000
Net cash inflow used in operating activities		(179)	(2,543)
Cash flows from investing activities			
Investment income		330	258
Amounts paid to acquire investments		(2,138)	(5,648)
Sale of fixed assets		-	3
Amounts received on disposal of investments		2,515	2,118
Amounts paid to acquire tangible fixed assets		(53)	(58)
Net cash used in investing activities		475	(5,870)
Change in cash and cash equivalents for the year ended 30 September		475	(5,870)
Cash and cash equivalents at the beginning of the reporting period		4,861	10,731
Cash and cash equivalents for the year ended 30th September	19	5,336	4,861
Reconciliation of net income to net cash flow from operating activities			
Net income at 30 September as per the SOFA		104	(2,471)
Adjustments for:			
Depreciation		189	180
(Losses)/Gains on investments		411	(112)
Increase/(decrease) in pension fund		-	-
Investment income		(330)	(258)
Increase/(decrease) in debtors		(309)	(50)
Increase/(decrease) in creditors		(244)	168
Net cash used in operating activities		(179)	(2,543)

NOTES TO FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

In the opinion of Council these financial statements comply with Financial Reporting Standard 102 ('FRS102').

a) *Basis of Accounting*

The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed asset investments and in accordance with applicable accounting standards having regard to the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015). Results of Specialist Sections and Regions are aggregated in the financial statements.

b) *Going Concern*

Following the outbreak of the coronavirus and subsequent stay at home conditions imposed by the UK government. The Group has reviewed the financial position of the company as at 31st March 2020 and has concluded that the going concern basis can still be used in relation to the company.

The main income stream of the company is membership subscriptions, these account for 81% of income. As most of the members work in the healthcare sector (NHS or local government) the Group does not believe that there will any be significant reduction in membership numbers. Other income streams including advertising, event income and interest are expected to decrease in the year ending 30th September 2020. The expected fall in these other income streams is because of the effects of COVID-19 on the UK economy.

Costs in the year 30th September 2020 are also expected to fall to some extent with savings to travel and meeting expenses as all face to face meetings, events and the Members' Day have been cancelled.

The Group's investments have however been significantly impacted by the COVID-19 crisis and have declined by £2.1m. The company remains well financed with over £5m in cash and £7.2m in investments. The investments are not needed for the operational activities of the Group. The Group's only significant liability is the defined benefit pension scheme, and this is fully funded with the exception of the final payment to Aviva which amounts to £1.2m.

NOTES TO FINANCIAL STATEMENTS - continued

1. PRINCIPAL ACCOUNTING POLICIES - continued

c) *Incoming Resources*

All income is derived from activities within the United Kingdom and is accounted for on a receivable basis, with the exception of membership subscriptions and donations, which are accounted for when received.

Of the total membership subscriptions received by BAOT, 19% (2018 - 19%) is retained to meet industrial relations and administrative costs. The balance of 81% (2018 - 81%) is transferred to RCOT to support its activities.

Where entitlement to income is dependent upon fulfilment of conditions within RCOT's control, the incoming resources are recognised when there is sufficient evidence that conditions have been met. Where there is uncertainty as to whether RCOT has met such conditions, or the funder clearly states that the funding is for the next financial year, then the income is deferred.

d) *Resources Expended*

The costs of RCOT's charitable activities have been grouped under the main headings:

- Membership administration – the costs associated with collecting and administering membership subscriptions.
- Journals – includes all costs associated with communications with members, whether centrally or regionally or whether in hard copy or electronic format.
- Conferences and events – the costs that relate to the organisation, promotion and administration of events.
- Professional activities – encompasses all the costs associated with the areas of research and development, education and professional practice.

Direct expenditure is allocated to each of these categories of activity. Where expenditure cannot be directly allocated it represents support costs and is apportioned on a basis consistent with the use of resources – by reference to the number of whole-time members of staff.

Governance costs are the costs associated with the governance arrangements of RCOT including costs related to the strategic (as opposed to operational) management of RCOT's activities.

NOTES TO FINANCIAL STATEMENTS - continued

1. PRINCIPAL ACCOUNTING POLICIES - continued

e) *Fixed Assets and Depreciation*

Fixed assets with a cost of £1,000 or greater are capitalised and are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset, when brought into use, on a straight line basis over its estimated useful as follows:

Freehold Premises	2%	per annum on cost
Building Improvements	5%	per annum on cost
Fixtures and Fittings– new purchases	10%	per annum on cost
Fixtures and Fittings– retained assets	20%	per annum on NBV at 30 Sept 2010
Office Equipment	20%	per annum on cost
IT Equipment	33.33%	per annum on cost
Freehold land is not depreciated.		

f) *Investments*

Investments are included in the balance sheet at market value and any unrealised gains or losses are included in the Income and Expenditure Account. As noted earlier the investment portfolios of the group have fallen by £2.1m since 30/09/19. The loss is spread over the three investment portfolios and is not expected to be recovered for the foreseeable future. The Group does not need the funds in the investment portfolios for its operational activities.

g) *Funds*

Restricted funds are those legacies and donations which are earmarked by the donor for use by RCOT on particular projects.

Unrestricted funds are available for use by RCOT to further its objects. Certain unrestricted funds are designated by Council for particular purposes. These designated funds are for specific future purposes or projects.

Income and expenditure is directly allocated as it arises between these categories.

h) *Liquid resources*

Liquid resources are those current asset investments that can be readily disposed for a known amount of cash.

NOTES TO FINANCIAL STATEMENTS - continued

1. PRINCIPAL ACCOUNTING POLICIES – continued

i) Pensions

RCOT operates a defined contribution scheme. All costs are charged to the period to which they relate.

j) Recognition of Liabilities

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT that cannot be recovered.

k) Grants

RCOT pays grants from its own resources and in addition it also administers a number of restricted funds which make grants each year. These restricted funds are charged in the year in which they are paid. Details of all grants paid are available on the website.

NOTES TO FINANCIAL STATEMENTS - continued

2. CHARITABLE ACTIVITIES

	Direct Costs £000	Support Costs £000	Total 2019 £000	Total 2018 £000
Unrestricted Funds				
Membership subscriptions	300	221	521	525
Journals	636	206	842	822
Conferences and events	1,584	602	2,186	1,943
Professional activities	2,524	1,569	4,093	3,790
Total Unrestricted	<u>5,044</u>	<u>2,598</u>	<u>7,642</u>	<u>7,080</u>
Designated Funds				
Membership subscriptions	35	-	35	27
Journals	34	-	34	56
Conferences and events	104	-	104	163
Professional activities	236	-	236	79
Total Designated	<u>409</u>	<u>-</u>	<u>409</u>	<u>325</u>
Restricted Funds				
Professional activities	<u>5</u>	<u>-</u>	<u>5</u>	<u>25</u>
Total Charitable Activities	<u>5,458</u>	<u>2,598</u>	<u>8,056</u>	<u>7,430</u>

3. SUPPORT COSTS

	2019 £000	2018 £000
Staffing Costs	1,025	928
Facilities and Infrastructure	496	649
Depreciation	189	180
General Administration	888	1019
Total Support Costs	<u>2,598</u>	<u>2,776</u>

4. AUDITORS' FEES

The audit fee of RCOT's auditors is £17,925 (2018 - £16,995) for audit work.

NOTES TO FINANCIAL STATEMENTS - continued

5. STAFF COSTS

	2019 £000	2018 £000
Salaries	3,153	2,770
Social Security costs	349	310
Pension costs	264	240
Employee benefits	106	94
Sub-total - cost of staff employed	3,872	3,414
Temporary Staff	172	201
Recruitment	59	50
Training	23	16
Other Staff costs	3	9
Total Staffing Costs	4,129	3,690

During the year 2 employees contracts were terminated. The total termination payment to the 2 employees was £42,912. The full amount of £42,912 has been recognised in the year.

The average monthly numbers employed in the year were as follows:

	2019 number	2018 number
Charitable activities	64	55
Support activities	12	14
	76	69

The remuneration of the higher paid employees fell within the bands:

	2019 number	2018 number
£60,001 - £70,000	1	1
£70,001 - £80,000	4	4
£80,001 - £90,000	2	1
£100,000 - £110,000	1	1

NOTES TO FINANCIAL STATEMENTS - continued

5. STAFF COSTS - continued

Remuneration and benefits paid to key employees during the year:

	2019	2018
	£000	£000
Salary costs	571	552
Social Security costs	70	68
Pension contributions	51	49
Other Employee benefits	13	10
Total remuneration and benefits	705	679

6. COUNCIL MEMBERS

All Council members can claim for travel, subsistence and other expenses. The total amount of expenses reimbursed to 9 Council members during the year was £22,111 (2018 – 9 Council members reimbursed £19,984).

RCOT paid £4,054 (2018 - £4,050) to provide Charity Trustee insurance cover.

7. TAXATION

RCOT is a registered charity and is not subject to Corporation Tax on income arising from its charitable activities.

8. PENSION BUY OUT

In December 2017 RCOT, the pension scheme Trustees of the Federated Pension Scheme for British Association of Occupational Therapists Limited and Aviva Life & Pensions UK Limited agreed to the buyout of the defined benefit pension scheme. An advanced payment of £3,479,000 was paid in December 2017 with the balance of £1,156,000 payable in July 2020.

NOTES TO FINANCIAL STATEMENTS (continued)

9. PENSION COSTS

RCOT operated a defined benefit pension scheme for qualifying employees in the UK. This scheme closed in June 2014 to all new entrants and further accrual. The disclosures set out below are based on calculations carried out as at 30 September 2019 by a qualified independent actuary.

The main assumptions used for the purposes of FRS102 are (in nominal terms):

	30/09/2019	30/09/2018
Discount Rate	1.85%	2.95%
Expected return on scheme assets	1.85%	2.95%
Pension increases in payment at the 5% LPI rate based on RPI	3.40%	3.35%
Pension increase in payment at the 2.5% LPI rate based on RPI	2.30%	2.25%
RPI	3.55%	3.50%
CPI	2.55%	2.50%

Expected Return on Assets

The assets of the scheme and the net expected long-term return on these assets are:

	At 30/09/2019	At 30/09/2018
	Value £000	Value £000
Gilts	-	-
Bonds	-	-
Insured Annuity Contracts	18,562	14,614
Cash/ Other	56	44
Total Fair Value of Assets	18,618	14,658

NOTES TO FINANCIAL STATEMENTS - continued

9. PENSION COSTS - continued

Reconciliation of the Present Value of Scheme Liabilities and Fair Value of Assets to the Asset and Liability Recognised in the Balance Sheet

	30/09/2019 £000	30/09/2018 £000
Fair Value of Assets	18,618	14,658
Value of Liabilities (defined benefit obligation)	(18,559)	(14,610)
Funded status	<hr/> 59	<hr/> 48
Surplus restriction	(59)	(48)
Recognised Pension Liability	<hr/> - <hr/>	<hr/> - <hr/>

The excess ('surplus') of the fair value of scheme assets over the present value of the scheme liabilities can be recognised as an asset of the employer in the employer's balance sheet only in so far as the employer is able to recover this surplus (either through reduced contributions in the future or through refunds from the scheme).

Where the employer cannot recover the surplus, then the employer cannot recognise any of the surplus as an asset. In these circumstances, the pension scheme is shown as 'nil' value on the employer's balance sheet. The company's defined benefit scheme was closed to new entrants and to future accrual with effect from 30 June 2014.

NOTES TO FINANCIAL STATEMENTS – continued

9. PENSION COSTS - continued

Total Expense Recognised in the Statement of Financial Activities (SOFA)

	30/09/2019 £000	30/09/2018 £000
Past service cost including curtailments	-	(940)
Restriction on past service cost	-	940
Remeasurement gains and losses –		
Interest cost on liability	(1)	(105)
Restriction on expected return on assets	1	105
Total SOFA Charge	-	-

Changes in the present value of the defined benefit obligation

	30/09/2019 £000	30/09/2018 £000
Opening defined benefit obligation	14,610	17,347
Interest cost on obligation	422	431
Remeasurement (gains) and losses –		
actuarial (gains) and losses	4,056	(1,123)
Remeasurement (gains) and losses –		
experience (gains) and losses	-	(440)
Past service costs including curtailments	-	(940)
Benefits paid	(529)	(665)
Closing defined benefit obligation	18,559	14,610

Changes in the fair value of Scheme Assets

	30/09/2019 £000	30/09/2018 £000
Opening fair value of Scheme Assets	14,658	17,657
Interest income	424	536
Remeasurement gains – return on		
Scheme assets excluding interest income	4,065	(6,349)
Employer contributions	-	3,479
Benefits paid	(529)	(665)
Closing fair value of Scheme Assets	18,618	14,658

NOTES TO FINANCIAL STATEMENTS - continued

9. PENSION COSTS - continued

Total amount taken to Other Comprehensive Income

	30/09/2019 £000	30/09/2018 £000
Actuarial return on scheme assets – gains/(losses)	4,489	(5,813)
Less: amounts included in net interest on the defined benefit liability	(424)	(536)
Remeasurement gains/(losses) – Return on scheme assets excluding interest income	4,065	(6,349)
Remeasurement gains/(losses) – actuarial gains and (losses)	(4,056)	1,123
Remeasurement gains/(losses) – experience gain	-	440
Surplus restriction	(9)	1,307
Remeasurement (gains)/losses recognised in other comprehensive income	-	(3,479)

NOTES TO FINANCIAL STATEMENTS - continued

10. TANGIBLE FIXED ASSETS

	Freehold Premises £000	Building Improvement £000	Fixtures & Fittings £000	Office Equipment £000	IT Equipment £000	Total £000
Cost						
At 1 October 2018	1,046	1,603	607	201	225	3,682
Additions during year	-	-	7	41	5	53
Disposals	-	-	-	-	(1)	(1)
At 30 September 2019	1,046	1,603	614	242	229	3,734
Depreciation						
At 1 October 2018	440	614	479	172	187	1,892
Charge for the year	20	81	52	15	21	189
Released on disposal	-	-	-	-	(1)	(1)
At 30 September 2019	460	695	531	187	207	2,080
Net Book Value						
At 30 September 2019	586	908	83	55	22	1,654
At 30 September 2018	606	989	128	29	38	1,790

All assets are used for the charitable activities of RCOT.

There was no amount of capital authorised and contracted for as at 30 September 2019.

NOTES TO FINANCIAL STATEMENTS – continued

11. FIXED ASSET INVESTMENTS

	Market Value 1/10/18 £000	Additions £000	Disposal Proceeds £000	Net Gains £000	Market Value 30/9/19 £000
UK Equities	5,275	1,109	(1,825)	(591)	3,968
Alternatives	504	256	-	38	798
Fixed Income	948	316	(240)	60	1,084
Overseas Equities	2,291	457	(450)	82	2,380
Sub-total	9,018	2,138	(2,515)	(411)	8,230
Cash held in investment portfolio	324				956
TOTAL	9,342				9,186

The total cost of investments held by RCOT at 30 September 2019 was £8,971,669 (2018 - £8,659,099).

Investments that represented more than 5% of the portfolio were:

HSBC Index Tracker Invest - FTSE All Share (£464,193)
Ishares Core MSCI World UCITS ETF (£474,839)

The value of the investment portfolios of the group have fallen by £2.1m since 30/09/19. This loss is not expected to be recovered for the foreseeable future and is spread over the three investment portfolios. RCOT does not need the funds in the investment portfolios for its operational activities.

NOTES TO FINANCIAL STATEMENTS - continued

12. DEBTORS

	2019 £000	2018 £000
Amounts due within one year		
Trade Debtors	46	195
Other Debtors	14	18
Prepayments and Accrued Income	350	300
Parent	412	-
	<hr/>	<hr/>
	822	513

13. CREDITORS

	2019 £000	2018 £000
Amounts due within one year		
Trade Creditors	261	288
Taxes & Social Security	213	375
Amounts owed to Parent	-	107
Accruals & Deferred Income	467	415
	<hr/>	<hr/>
	941	1,185

The amount of Deferred Income at the beginning of the year was £262,369. During the year, the whole of this amount was released to the SOFA, while a further £296,103 of income was created. The balance of Deferred Income at 30 September 2019 was £296,103.

14. SHARE CAPITAL

	2019 £	2018 £
Authorised Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid Ordinary shares of £1 each	<u>3</u>	<u>3</u>

NOTES TO FINANCIAL STATEMENTS – continued

15. RESTRICTED FUNDS

	Balance 1/10/18 £000	Incoming Resources £000	Resources Expended £000	Balance 30/9/19 £000
ISP Annual Award	28	-	(2)	26
ISP Scholarship	1	-	-	1
Elizabeth Casson	1	-	-	1
Elizabeth Casson PD	5	-	(3)	2
	<hr/>	<hr/>	<hr/>	<hr/>
	35	-	(5)	30

All of the grants paid under Resources Expended were awarded to individuals.
The purpose of each fund / award is as follows:

- **ISP Annual Award:** provides support for an individual occupational therapist towards a research activity in a topic relevant to occupational therapy, mental health and social psychiatry.
- **ISP Scholarship:** provides support for doctoral or early post-doctoral research activity which is relevant to occupational therapy and social psychiatry.
- **Elizabeth Casson:** provides a contribution towards the digitisation of back copies of the British Journal of Occupational Therapy.
- **Elizabeth Casson PD:** The Elizabeth Casson Trust in collaboration with RCOT's UK Occupational Therapy Research Foundation provides an annual grant of up to £10,000 for three years to support BAOT members who are early stage postdoctoral researchers.

NOTES TO FINANCIAL STATEMENTS -continued

16. DESIGNATED FUNDS

	Balance 1/10/18 £000	Incoming Resources £000	Resources Expended £000	Transfers	Balance 30/9/19 £000
Pension scheme	931	-	-	225	1,156
College Branches	520	322	(235)	-	607
CRM Project	-	-	-	1,105	1,105
UKOTRF	431	-	(174)	-	257
	<u>1,882</u>	<u>1,652</u>	<u>(409)</u>	<u>1,330</u>	<u>3,125</u>

The pension scheme funds are to cover the balance of £931,000 owed to Aviva upon completion of the buyout. The additional £225,000 of resources is to cover historical pension underpayments. This was discovered during the benefit audit and involved 6 pensioners being underpaid from their retirement date.

A total of £1,105,000 has been assigned to fund the CRM project. This fund will cover all the costs associated with the new CRM project.

The funds for RCOT branches support the specific activities of the various groups of RCOT that are organised both geographically and by clinical specialism.

UK Occupational Therapy Research Foundation (UKOTRF) provides grants to build an evidence-base for occupational therapy by supporting research into the effectiveness and cost-effectiveness of occupation-focused interventions.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £000	Investments £000	Net Current Assets £000	Total £000
Restricted Funds	-	-	30	30
Designated Funds	-	-	3,125	3,125
Unrestricted Funds	1,654	9,186	1,106	11,946
	<u>1,654</u>	<u>9,186</u>	<u>4,261</u>	<u>15,101</u>

NOTES TO FINANCIAL STATEMENTS - continued

18. RECONCILIATION OF MOVEMENT IN SHARE CAPITAL AND CHARITABLE FUNDS

	2019 £000	2018 £000
Net Surplus for the financial year	104	(2,471)
Shareholders' funds at 1 October	14,997	17,468
Shareholders' funds at 30 September	15,101	14,997

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2018 £000	Cashflows £000	At 30 September 2019 £000
Cash at bank and in hand	1,859	(1,177)	682
Cash held as liquid investment	2,678	1,020	3,698
Cash held in investment portfolio	324	632	956
	4,861	475	5,336

NOTES TO FINANCIAL STATEMENTS - continued

20. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The parent undertaking and ultimate controlling party of the company is the British Association of Occupational Therapists Limited ("BAOT").

Registered office: 106-114 Borough High Street, London, SE1 1LB

Company number: 00392350

The principal activity of BAOT is that of a Professional Association in the field of rehabilitative medicine. BAOT aims to promote occupational therapy education and honourable practice; to provide facilities for the advancement of the science of occupational therapy by the widest possible distribution of information through meetings, discussions and debate; and to issue relevant papers and periodicals on occupational therapy. BAOT is a registered Trade Union.

21. RELATED PARTIES

All members of the Council of RCOT are also members of the Council of BAOT, the parent undertaking of RCOT. The subscriptions of Council members are paid by the individual Council members at the normal rates and carry no special rights or privileges. In addition, as part of their work, Council members may attend courses provided and receive journals produced by RCOT. These services are all provided on an arm's length basis at normal rates.

During the year one Council member supplied consultancy, advice and support services to RCOT. The total amount received by the Council members was £260.

22. NON-ADJUSTING EVENTS

Investments as at 31/3/20

The investment portfolios have declined by £2,090,000 since the date of the accounts 30/09/2019. This has been due to large fluctuations in the stock markets due to the coronavirus. It is expected that the investments will recover some of this loss in the short term but may take longer to fully recover back to their position at 30/09/2019 due to the ongoing issues with the economy.