

## 2020 Trustees Annual Report

The trustees are pleased to present their Report and the Group Financial Statements of The British Psychological Society ('the Society') for the year ended 31 December 2020

The Society operates both in the UK and worldwide and is registered with the Charity Commission for England and Wales under registration number 229642. The Society is also registered in Scotland with the Office of the Scottish Charity Regulator (OSCR) under registration number SC039452. It is incorporated by Royal Charter. The principal place of business is St. Andrew's House, 48 Princess Road East, Leicester LE1 7DR.

The trustees are responsible for ensuring that the financial statements prepared give a true and fair view of the group's activities and are presented in accordance with the Charities Act 2011 and Accounting and Reporting for 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).

### Structure, governance and management

The Society is governed by a Royal Charter, originally granted in February 1965 and last revised in November 2010, which defines the Society's objects as:

'to promote the advancement and diffusion of the knowledge of psychology pure and applied and especially to promote the efficiency and usefulness of members of the Society by setting up a high standard of professional education and knowledge.'

Legal and administrative information, including details of the trustees, Chief Executive and Senior Management Team, can be found on pages 43 and 44 or on the Society's website: [www.bps.org.uk](http://www.bps.org.uk)

The trustees are responsible for the governance of the Society: the management is devolved to the Chief Executive and Senior Management Team.

### Governance and internal control

Trustees meet regularly to review the Society's strategy and performance. The Society's Royal Charter and Statutes set out the composition of the Trustee Board and how trustees are appointed. There is an induction process for new trustees and ongoing training and development initiatives, including briefings by external specialists on key areas of knowledge relevant to the role of the Board.

A number of governance reforms have been identified to reflect excellent practice as outlined by the Charity Code of Governance, so a review of the Society's Charter and Statutes is being undertaken. This includes formalising the process for review of Board performance, and ensuring the composition of the Board is demographically diverse and that members have an appropriate range of relevant skills, knowledge and experience. Fostering diversity in leadership has been established as a central component of recruitment of the Society's chief executive and senior managers.

The Society's pay policy is designed to maintain sustainable and fair levels of pay at the same time as attracting and retaining the right people to deliver its charitable objectives. In setting appropriate levels of senior management pay, the Society looks at the skills, experience and competencies required for each role. Roles are graded following external evaluation and salary is set within the pay scales of the grade, except where the benchmarking of a role (via external agencies and proprietary pay surveys) demonstrates that the level of pay for the post needs to be adjusted to attract candidates of the calibre and experience required and to bring the salary for the role in line with the market. Salary levels are disclosed in note 11 to these accounts.

The Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustee expenses are disclosed in note 12 to the accounts.

## 2020 Trustees Annual Report (Continued)

There are three sub-committees of the Board of Trustees which report directly to the Board providing oversight of Risk and Assurance, Human Resources and Finance. The terms of reference of each of the committees were revised in 2018 to support strategic oversight of these key areas.

### Public benefit

The trustees have reviewed this in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit, and have concluded:

- that the aims of the organisation continue to be charitable
- that the aims and work done give clear benefits to the charitable sector and that members of the public are aware of the high standards and education that members achieve
- that the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay
- that there is no detriment or harm arising from the aims or activities
- that the public are made aware of developments in the profession and the science that affects their daily lives
- that membership fees are modest and that there is a grade of subscription that is open to the public, who share an interest in the profession
- that the website is available to all and not just members

## Strategic Report

### Financial review

The Consolidated Statement of Financial Activities for the year is set out on page 16 of the full financial statements.

### Income

Income in the year reduced relative to 2019 due to the impact of Covid-19 restrictions and its effect on key services such as conferencing and training. Subscription income was marginally down impacted by an increased number of members requesting the hardship rate as a result of Covid-19. Income from the journals partnership with Wiley Blackwell was also marginally down compared to 2019 for the same reason. Other income was also down as a result of Covid-19 and this included advertising and rental income. A furlough grant of £23k was received during the year and is included within other income.

### Expenditure

Overall costs continued to be well controlled in 2020 and were significantly down as a result of many areas of the organisation's activities being curtailed by Covid-19 restrictions.

### Principal sources of funding

Around 50 per cent of the Society's income derives from membership subscriptions, with a further 30 per cent from journal publications, qualifications, accreditation and conferences and training. During the year the Society applied for and drew down a Coronavirus Business Interruption Loan of £2.2m to assist with the downturn in activities and cashflow related to the Covid-19 restrictions.

### Investment policy and returns

The trustees have an agreed approach to ethical investment, which they review regularly. The investment policy was substantially revised in 2018, in particular to take account of ethical and environmental considerations, and is now publicly available on the Society's website.

The Society's investments with Investec Wealth and Investments Ltd were sold during the year and the funds were invested in accumulation units of the COIF Charities Investment Fund managed by CCLA, retaining a small deposit fund for liquidity.

## 2020 Trustees ANNUAL REPORT (Continued)

The portfolio performed well after recovering from falls in early 2020, adding £0.9m to the value by the end of the year. The performance has been driven by asset allocation and stock selection with a focus on quality companies with robust balance sheets and strong free cashflow and companies with these characteristics have been resilient during the global pandemic.

### New trading company

BPS Assessments and Awards Limited was incorporated on 13 June 2020. The company will commence operations in 2021, providing end point assessments for psychology apprenticeship standards in England.

### Society reserves

The trustees have reviewed the Society's reserves in line with the Charity Commission's guidance. They have included unrestricted funds, restricted funds and the designated funds.

### Unrestricted funds

The trustees consider they need to take a prudent view of the future, in order to be able to maintain the viability of the organisation. They have decided that a reserves level equivalent to nine months' income is an appropriate guideline for an organisation of this size and complexity. At 31 December 2020, the free reserves are £10,596,000 after designating funds for the Member Network Review. This equates to 12 months' income based on current income levels.

### Restricted funds

The Society has a number of restricted funds at its disposal and the Trustees review these on a regular basis. The total restricted funds as at 31 December 2020 are £58,231 (2019: £58,231).

### Designated funds

A fund of £6m was set aside during 2019 to meet the costs of the Change Programme, which is now well under way. The programme includes replacement of the Society's key IT systems and spend on initiatives to add member value and equip the organisation for future challenges. A designated fund of £320,000 was set up in 2020 for the Network Member Review, which commenced in 2020. The total of the designated funds as at 31 December 2020 is £2,776,000, (2019: £4,701,000).

### Achievements and performance

In a year of unique challenge, when the global pandemic forced our offices in Leicester and London to close and staff and members to work from home, we adapted swiftly to the changing landscape and seized opportunities to ensure that work continued apace.

The pandemic brought into sharp focus the mental health challenges across every part of society on a scale that was previously unimagined. Our members have played a pivotal role in helping the nation to cope and, as the BPS responded to help support a society in lockdown and a National Health Service at the very limits of its capacity, we continued to be a strong advocate for psychology and psychologists at every level.

We have worked to support our members in the excellent work they do, engage more and work to understand their needs, increase our public, media and stakeholder engagement and sought to influence public policy at the highest level. Despite remote working from March onwards, we continued to produce high-quality journals, publications, newsletters and online events for our members. Not least, we pressed ahead with our investment in people and systems to take forward the successful realisation of the ambitious change programme set out in last year's report.

### Moving psychological science forward

We have built on our commitment to moving psychological science forward throughout 2020 and worked in close partnership with member networks to be highly responsive to the distancing challenges of the pandemic by offering events online. Members have responded enthusiastically to these new opportunities and taken full advantage.

## 2020 Trustees ANNUAL REPORT (Continued)

More than 169 webinars were delivered - a combination of CPD, open science and networking events - with more than 19,000 delegates attending virtual events. In addition, we have worked to drive a 'business as usual' approach to supporting networks during the pandemic.

The hugely successful Special Group of Coaching Psychology conference on 31 May was the society's first full online conference, comprising 17 speakers from across the globe across 16 hours and 400 delegates. Since then we have managed 86 AGMs, 66 of which have been online, resulting in increased attendance and engagement. During the year, we administered more than 350 member network meetings, 319 of which were conducted virtually since March when our offices closed for lockdown.

We closed the year with 46,000 member network registrations, an increase of 1,200 on the year before. We also found ways to work more closely, engage, inform and collaborate, providing opportunities to share and find fresh ways of working together – this included introducing forums for division and special group chairs, section chairs, branch chairs and treasurers.

The two-day BPS conference and AGM went digital at short notice, with excellent key note speakers and more than 880 delegates bidding farewell to outgoing president David Murphy and hearing about our future vision from incoming president Hazel McLaughlin.

### Supporting our members

The society grew its membership by five per cent in 2020, with the most notable growth in our student member category.

31/12/2020	
Chartered	20,113
Graduate	26,600
Student	16,793
<b>Total</b>	<b>63,506</b>
Affiliate Subscriber	630
E-Subscriber	1,962
<b>Overall total</b>	<b>66,098</b>

We have begun to put in place a number of priority initiatives to enhance society membership and, in some instances, these will have a significant strategic impact on the future structure of the society.

We took forward the Member Journey Initiative, undertaking a significant review of what it means to be a member, understanding member journeys in terms of how people come into membership of the society and what it is like to navigate psychology as a profession. More than 3,000 members engaged in different ways and we also engaged non-members and those who left membership of the BPS.

We've introduced a more segmented approach, to make sure that individuals are receiving benefits relevant to them, and meet people's needs throughout their psychology journey. This begins with schools and teachers, working alongside them to create an early awareness of psychology to evolve and sustain our student membership.

## 2020 Trustees ANNUAL REPORT (Continued)

We launched BPS Learn, our new professional development platform, signalling a new era of digital delivery for the society and allowing our members to develop their skills online. We brought the development of CPD products in-house, starting with two new e-learning products: Supervision Skills (launched in September) and Ethics (launched in December). To date, the supervision course has 106 learners enrolled and the ethics course has 20.

We moved quickly at the start of the first lockdown to move from face-to-face training to webinars and we have run 28 live/recorded, with more than 880 participants.

Looking to the future, we initiated reviews of our member networks and membership grades, with these two projects set to make BPS membership even more valuable and relevant for the psychology community.

Our magazine, The Psychologist, is an increasingly popular member benefit that attracted two million users to its website, up 11 per cent on the year before. Its community also grew on social media, including 110,000 followers on Twitter. A focus on channels, community and content has helped us to put out packed and diverse print editions. The combined summer edition 'Towards the new normal and beyond' featured the voices of more than 150 psychologists: a real collaborative and creative effort in challenging circumstances. We produced more 'online only' content than ever, particularly around Covid-19. We also put on several webinars and workshops, including one around our summer edition theme which was well attended and has been viewed by around 7,000 people.

Our Member Communications work stream was completed in 2020 to centralise, streamline and develop ways of making sure members get the information they need. Since the first refreshed Member Update and Events Updates were sent out a year ago, we have increased the number of members signed up to receive emails from the society and steadily expanded our readership.

We have also collaborated successfully with member networks to send out more than 200 newsletters across the year, establishing a network of communications contacts to help to co-ordinate planning for scheduled newsletters and media comment.

Online Communities, our platform designed to increase opportunities for member discussion and collaboration, has also gained ground this year, with 7,469 members signed-up to access the platform across all of the online communities in the last 12 months.

### Promoting the highest standards of education

We have responded swiftly to adapt to remote online working to ensure that the highest standards in psychology education were maintained during the pandemic. The Society plays a key role in accrediting university courses, as well as training programmes, and we have worked to achieve a seamless process in the face of the year's challenges.

In collaboration with our Undergraduate Education Committee and our Training Committees, we have honed the excellence of our training standards. This includes the overseeing of the accreditation process for programmes in psychology delivered by stakeholders. During the academic session 2019/2020 the committees began the review process for their accreditation standards, which is ongoing.

In response to the pandemic, to safeguard accreditation, we developed comprehensive guidance detailing the flexible arrangements that were allowed for stakeholders to continue to ensure that their programmes remained accredited. All students and trainees on programmes were reassured that their accreditation would not be adversely affected.

We also developed new revised accreditation visit guidance for stakeholders and reviewers and the first remote visits have been undertaken. Accreditation visits will continue in this format for the near future.

## 2020 Trustees ANNUAL REPORT (Continued)

Working collaboratively with a range of stakeholders, we have continued to support and collaborate on developments for those working in roles to deliver effective care in mental health services, IAPT and children and young people's mental health. This includes the development of accreditation standards to quality assure training and a registration scheme for individual recognition of practitioners in wider psychological roles in the absence of regulation.

Work also began to standardise the way we maintain and develop society registers and directories, putting in place a quality assurance framework to increase robustness and enhance their profile both externally and among members.

We are proud to have been awarded end-point assessment organisation status approved by the Institute of Apprenticeships and Technical Education (August 2020), the regulator for apprenticeships. It means we will assess the knowledge, skills and behaviours that apprentices have learned throughout an apprenticeship to ensure they are competent.

We continue to maintain a strong position with the number of RQTU members registering with us each year – currently 10,804. We have also appointed a new principal verifier, senior editor and worked with a new task and finish group who have been drawing up priorities and actions to refresh, improve and promote the PTC.

The pandemic brought with it some initial challenges for the Society's qualifications in March, when the UK went into lockdown. The team responded quickly to resolve issues, including the challenges trainees were suddenly facing, by offering interruptions to those who were either on furlough or facing redundancy, and providing extra tele-clinics to ensure support was in place. In addition, all face-to-face viva assessments were offered via Zoom, so that trainees' progress wasn't affected.

For some qualifications there has been a decline in enrolments, due to the impact of the pandemic on businesses, but there has been an increase in interest and enrolments on the Qualification in Counselling Psychology (QCoP). The launch of BPS Learn will continue to provide an opportunity to ensure trainees receive an excellent standard of service and support throughout their enrolment.

Enrolments for qualifications are:

Qualification	Number of confirmed enrolments during 2020
Clinical Neuro	2
Counselling	6
Educational	24*
Forensic	20
Health	5
Occupational	16
Sport & Exercise	24
* Annual cohort	

### Developments in research excellence

First class research is at the heart of our discipline, underpinning all that we do with the potential to change lives.

## 2020 Trustees ANNUAL REPORT (Continued)

The past year saw exciting developments in the national Research Excellence Framework as a direct result of BPS lobbying. This includes the appointment of an expert in qualitative methods to be appointed to Unit of Assessment 4: Psychology, Psychiatry and Neuroscience. An expert in clinical psychology was also appointed, plus additional experts in developmental psychology, cognitive neuroscience, neuropsychology and social psychology. BPS journals and books brought in a net income of £1,230,000.

Another important initiative was the release of a Covid-19 research resources hub to support researchers in conducting their research during the pandemic, along with ethics guidance for conducting research during the pandemic. We released an extensive list of ethics FAQs on the website and completed nine substantial online surveys and analysed more than 4,500 responses.

Our highly regarded BPS journal portfolio, managed by Wiley, comprises 11 titles and includes the British Journal of Psychology. Six of these titles saw an increase in their impact factor in 2020.

A key part of promoting open and transparent research practices is accepting registered reports for all our titles, and that number rose from nine in the previous year to 41 in 2020.

Support was given for online research training and experience to undergraduate applicants to the grant and bursary scheme, who received total funding from the BPS of £35,700. This also funded virtual workshops and presentations and attendance at national and international online events. The numbers on offer - three grants and 19 bursaries – were naturally reduced due to the pandemic.

Our popular Research Digest reached nearly three million users via our blog, accompanied by a weekly email going to 75,000 readers. Four episodes of the PsychCrunch podcast were also released.

### Influencing public policy

The pandemic has been at the front of our minds in the work we have undertaken this year to influence policy-makers and ensure our members' voices are heard. Crucially, we supported the NHS workforce by advising the Covid-19 Taskforce, meeting relevant ministers and working closely with Lisa Cameron MP, Chair of the All-Party Parliamentary Group on Psychology to secure a Westminster Hall debate on support for frontline workers. We ensured that BPS guidance was shared with our key stakeholders, including government departments, Parliamentarians and the NHS.

The BPS responded to 25 consultations in 2020 and put BPS members forward to give oral evidence to the House of Lords inquiry on Living online: the long-term impact on wellbeing, as well as two separate Covid-19 related consultations in the Welsh Assembly.

We engaged with Parliamentarians in Westminster and across the Devolved Nations to table parliamentary debates, oral and written questions and motions in order to support our wider policy objectives. Through our Senate campaign, From Poverty to Flourishing, we have engaged across the political spectrum and in all four devolved nations. To date the campaign has produced two comprehensive briefing papers and two additional papers are in progress. The insight from this campaign is a starting point from which to influence policy-makers by helping them understand the psychological underpinnings of poverty and what actions are required now and into the future.

Through our Psychological Government programme, we published a report, Cognitive Strain in Parliament, showing the psychological impact of working in Parliament and we are now working with the house authorities to implement its recommendations. We also hosted a lively discussion between Matthew Taylor CBE (chief executive of the Royal Society for the Encouragement of Arts), and John Amaechi OBE, (CEO of APS and member of the Psychological Government steering group) about bringing people into policy making.

## 2020 Trustees ANNUAL REPORT (Continued)

### Improving psychology's visibility

The year brought a media thirst for expert comment on mental health aspects of the Coronavirus pandemic and we handled an unprecedented number of media enquiries, which soared by 85 per cent across the summer, at one point reaching a surge of 141 per cent.

Our proactive work with journalists to offer expert psychological insight from our members led to a significant rise in our media presence, with the BPS mentioned in more than 4,000 articles in nearly 1,000 media outlets – a rise of more than 46 per cent, gained not only through a 68 per cent increase in news releases issued but also through increased one-to-one contact with key national journalists to directly influence coverage.

We helped nearly 800 journalists looking for expert comment, in addition to selected contacts we approached proactively, and this work led to our members' expertise being reported in newspaper articles, radio interviews, news websites and television all over the world. Highlights included the Christmas period when we achieved three articles in the Guardian, in print and online, as well as the Telegraph and Daily Mail. We also saw a 69 per cent increase in views of BPS news web items. This year we published 120 periodical issues for 40 different member networks.. We enabled output from nine member-led Covid-19 specialist groups by creating 64 Covid-19 guidance documents for a professional audience, from psychological needs of healthcare staff to adaptations for practitioners during Covid-19, plus 19 guidance documents for the public, including information on shielding, working from home and ways to cope with grief.

Various pieces of our Covid-19 guidance were translated into seven different languages. In all, the various Coronavirus Resources on the BPS website have been visited 134,249 times.

We produced 38 new reports for our member networks, including: Understanding Depression, Prescribing rights for psychologists, Approved mental health clinicians, Lived experience in clinical training, Update to psychologists working with animals, and Cognitive strain in parliament.

We began a print on demand service for some books, enabling readers to buy a hard copy from online booksellers, for delivery anywhere in the world.

We supported the promotion of a wide range of BPS products and services, including membership recruitment and retention, our member networks, professional development products, events and raising brand awareness.

Increased focus on delivering digital products and services that meet the needs and expectations of our members and customers has helped to drive significantly more people to our website. There were more than 9.2 million visits last year – a 15 per cent increase compared with the previous 12 months. Member log-ins increased by 25 per cent in 2020, which enables members to take advantage of the full range of digital member benefits.

The website is also helping to attract prospective members - there was a 25 per cent increase in traffic to the 'join us' pages compared with a year earlier. Significantly, we saw a 35 per cent increase in traffic to our student applications pages - a key entry point for BPS membership.

Our social media presence continues to grow, with our following across each of our three key platforms – Facebook, LinkedIn and Twitter – increasing considerably in 2020. Facebook is our largest platform, with more than 260,000 followers – a figure that grew by 14,000 last year, with our posts gaining nearly 40,000 engagements.



## 2020 Trustees ANNUAL REPORT (Continued)

Over the course of 2020 we created, edited, and uploaded almost 200 new pieces of content to our YouTube channel, from recorded webinars and conference videos to interviews, member stories, and Coronavirus resources/responses. Much of this video content is used on our social media and features on the website, helping to provide a more enriching experience for visitors.

### Preparing for change

Following approval from the Board of Trustees in June 2019, our three-year Change Programme has progressed well throughout 2020, helping the BPS to rise to the challenges of a rapidly changing landscape.

Work is nearing completion on the Organisational Development work stream and during 2020 we have developed an effective, consistent approach to attracting and retaining volunteers who perform unpaid society roles.

We have taken forward a number of projects under the Membership work stream, completing the Membership Review, which allows us to engage more effectively with our members. We have redesigned our procurement policies and processes and have used them to make savings when tendering for high value contracts for the society.

The Member Communications work stream was completed successfully and opportunities for digital solutions for publications to increase discovery and reduce printing have been explored in a review, with recommendations to be implemented in 2021. Work to upgrade our core business systems began in earnest and the VLE launch has provided a backbone to all our new online CPD courses.

### Risk assessment

The trustees take their responsibilities with regards to risk assessment very seriously and regularly review risks using the electronic risk management and tracking system introduced in 2018. There is a regular review of the principal risks and uncertainties facing the charity and its subsidiary undertaking BPS Communications Limited and the plans and strategies for mitigating the risks identified.

The Society has identified reputational risk as a major issue, which could result in loss of trust in the Society by external stakeholders. During the year, the Trustees were able to review the strengthened complaints process and consider other quality assurance initiatives to be developed moving forward to mitigate this risk to the Society.

As a member organisation, the Society faces a major risk if it fails to meet member needs and to provide value for money, impacting on our ability to retain and attract new members, future income generation and ultimately the loss of professional impact of the Society. Strategies for mitigation include ensuring that member feedback is gathered and assessed, a regular review of member benefits and ensuring the activities of the Society continue to be seen to have an impact and relevance to the discipline of psychology, psychologists, and the wider public.

The outbreak of the COVID - 19 pandemic and subsequent restrictions requiring remote working from March 2020 has had a significant impact on the work of the Society. The COVID restrictions imposed by the UK Government have forced the organisation to adapt to a new way of working and to adapt the service offering to members. It has involved cancellation of events, volatility in investment values and impacts on a number of income streams. These restrictions are likely to remain in place until the end of September 2021 and the impact on performance has been taken into account in the Budget for 2021. Risks are being closely monitored as the full impact on the economy has yet to be understood and plans have been put in place to mitigate the impact on the organisation with robust controls over expenditure.

## **2020 Trustees ANNUAL REPORT (Continued)**

In January 2020, the BPS commissioned an external investigation after uncovering the fraudulent misuse of two society credit cards by a female member of staff who has since left the Society. The findings were reported to the police and now form part of an ongoing investigation. The investigation is currently based around the sum of c.£71,000 but this figure is subject to confirmation as a result of the continuing police investigation. The society has fidelity insurance which has enabled the organisation to be reimbursed for the majority of the losses. Although the loss suffered by the fraud is not considered material for reporting purposes, it is included in these accounts in the interests of transparency. Since uncovering the fraud the Society has strengthened its financial processes and procedures to prevent repetition.

### **Employee involvement and employment**

Society employees are consulted on issues of concern to them and, where appropriate, individual consultation has taken place. All employees are regularly kept up-to-date on specific matters by department directors. The Society continues to negotiate with the recognised trade union, Unite, on all matters regarding terms and conditions of employment.

### **Auditors**

The Society's appointed external auditors are Mazars LLP. Their help and advice during the year has been appreciated.

## 2020 Trustees ANNUAL REPORT (Continued)

### Trustees' responsibilities in relation to financial statements

The Society trustees are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the Society and the Group and of the incoming resources and the application of resources of the Society and the Group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the applicable Charities SORP
- 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 Society and the Group will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and the Group and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the Society and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements. This may differ from legislation in other jurisdictions.

### Statement on disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. All the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Professor C McGuinness  
Interim Chair of the Board of Trustees

18 June 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PSYCHOLOGICAL SOCIETY**

### **Opinion**

We have audited the financial statements of The British Psychological Society (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st December 2020 which comprise the Group and Society Statement of Financial Activities, the Group and Society Balance Sheets, the Group Statement of Cash Flows 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 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 charity's affairs as at 31<sup>st</sup> December 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

### **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 group and the parent charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 group's and the parent charity'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 trustees 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. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PSYCHOLOGICAL SOCIETY (continued)**

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 Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.**

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

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the parent charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees 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 group's and the parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PSYCHOLOGICAL SOCIETY (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and the parent charity, and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment regulation, fraud, non-compliance with implementation of government support schemes relating to COVID-19, 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 Charities Act 2011.

We evaluated the trustees' and 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 posting manual journal entries to manipulate financial performance, inappropriately shifting the timing and basis of revenue recognition, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to fund accounting, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PSYCHOLOGICAL SOCIETY (continued)**

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

**Use of the audit report**

This report is made solely to the charity's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an 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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

*Mazars LLP*

Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date 6 July 2021

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2020

		2020	2020	2020	2020	2019
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
<b>Income:</b>						
<b>Income from charitable activities:</b>						
Subscriptions		6,182	-	-	6,182	6,516
Registers and directories		521	-	-	521	666
Conferences and events		300	-	-	300	964
Journals and book publishing	4	2,016	-	-	2,016	2,143
Other income	5	1,456	-	-	1,456	1,861
<b>Income from Trading operations</b>	7	322	-	-	322	386
<b>Investment income</b>	6	42	-	-	42	427
<b>Total Income</b>		<u>10,839</u>	<u>-</u>	<u>-</u>	<u>10,839</u>	<u>12,963</u>
<b>Expenditure:</b>						
<b>Expenditure on raising funds:</b>						
Trading costs	7	308	-	-	308	336
Investment management fees		16	-	-	16	58
<b>Expenditure on charitable activities:</b>						
Advancement of psychology		2,161	-	-	2,161	2,533
Application of psychology		827	-	-	827	2,083
Conferences and events		405	-	-	405	1,126
Co-operation with organisations		289	-	-	289	331
Diffusion of knowledge		2,727	-	-	2,727	2,595
Examinations and training		1,448	-	-	1,448	1,614
Membership		2,577	-	-	2,577	2,810
Science and policy		1,022	-	-	1,022	964
<b>Other expenditure:</b>						
Pension provision	24	-	-	-	-	763
Change programme costs		2,229	-	-	2,229	1,299
<b>Total expenditure</b>	8	<u>14,009</u>	<u>-</u>	<u>-</u>	<u>14,009</u>	<u>16,512</u>
Net (losses)/gains on investments	14	1,388	-	-	1,388	2,220
<b>Net (loss)/income</b>		<u>(1,782)</u>	<u>-</u>	<u>-</u>	<u>(1,782)</u>	<u>(1,329)</u>
Transfer between funds	17	1,925	(1,925)	-	-	-
<b>Net movement in funds</b>		<u>143</u>	<u>(1,925)</u>	<u>-</u>	<u>(1,782)</u>	<u>(1,329)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>18,305</u>	<u>4,701</u>	<u>58</u>	<u>23,604</u>	<u>24,393</u>
<b>Total funds carried forward</b>		<u>18,448</u>	<u>2,776</u>	<u>58</u>	<u>21,282</u>	<u>23,604</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities. All income and expenditure for the year ended 31 December 2019 was unrestricted.



**THE SOCIETY STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2020

		2020	2020	2020	2020	2019
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
<b>Income:</b>						
<b>Income from charitable activities:</b>						
Subscriptions		6,182	-	-	6,182	6,516
Registers and directories		521	-	-	521	666
Conferences and events		300	-	-	300	964
Journals and book publishing	4	2,016	-	-	2,016	2,143
Other income	5	1,456	-	-	1,456	1,861
<b>Income from Trading operations</b>	7	14	-	-	14	126
<b>Investment income</b>	6	42	-	-	42	427
<b>Total Income</b>		<u>10,531</u>	<u>-</u>	<u>-</u>	<u>10,531</u>	<u>12,703</u>
<b>Expenditure:</b>						
<b>Expenditure on raising funds:</b>						
Investment management fees		16	-	-	16	58
<b>Expenditure on charitable activities:</b>						
Advancement of psychology		2,161	-	-	2,161	2,533
Application of psychology		827	-	-	827	2,083
Conferences and events		405	-	-	405	1,126
Co-operation with organisations		289	-	-	289	331
Diffusion of knowledge		2,727	-	-	2,727	2,595
Examinations and training		1,448	-	-	1,448	1,614
Membership		2,577	-	-	2,577	2,810
Science and policy		1,022	-	-	1,022	964
<b>Other expenditure:</b>						
Pension provision	24	-	-	-	-	763
Change programme costs		2,229	-	-	2,229	1,299
<b>Total expenditure</b>	8	<u>13,701</u>	<u>-</u>	<u>-</u>	<u>13,701</u>	<u>16,176</u>
Net (losses)/gains on investments	14	1,388	-	-	1,388	2,220
<b>Net (loss)/income</b>		<u>(1,782)</u>	<u>-</u>	<u>-</u>	<u>(1,782)</u>	<u>(1,253)</u>
Transfer between funds	17	1,925	(1,925)	-	-	-
<b>Net movement in funds</b>		<u>143</u>	<u>(1,925)</u>	<u>-</u>	<u>(1,782)</u>	<u>(1,253)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>18,305</u>	<u>4,701</u>	<u>58</u>	<u>23,064</u>	<u>24,317</u>
<b>Total funds carried forward</b>		<u>18,448</u>	<u>2,776</u>	<u>58</u>	<u>21,282</u>	<u>23,064</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities. All income and expenditure for the year ended 31 December 2019 was unrestricted.

# CONSOLIDATED BALANCE SHEET at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	13	7,852	8,101
Investments	14	16,105	15,200
<b>Total fixed assets</b>		<u>23,957</u>	<u>23,301</u>
<b>Current assets</b>			
Debtors	15	1,476	2,386
Cash at bank and in hand		1,683	732
		<u>3,159</u>	<u>3,118</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(3,744)	(3,355)
<b>Net current assets</b>		<u>(585)</u>	<u>(237)</u>
Creditors: amounts falling due in more than one year	16	(2,090)	-
<b>Net assets</b>		<u>21,282</u>	<u>23,604</u>
<b>The funds of the group:</b>			
Restricted income funds	17	58	58
<b>Unrestricted funds:</b>	17		
General funds		14,389	14,231
Designated funds		2,776	4,701
Revaluation reserve		4,059	4,074
<b>Total unrestricted funds</b>	17	<u>21,224</u>	<u>23,006</u>
<b>Total funds</b>		<u>21,282</u>	<u>23,064</u>

The financial statements on pages 16 to 42 were approved by the Board of Trustees and authorised for issue on 18 June 2021 and signed on its behalf by:



Professor C McGuinness  
Interim Chair of the Board of Trustees

# SOCIETY BALANCE SHEET

at 31 December 2020

	Note	2020	2019
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	13	7,852	8,101
Investments	14	16,105	15,200
<b>Total fixed assets</b>		<u>23,957</u>	<u>23,301</u>
<b>Current assets</b>			
Debtors	15	1,716	2,695
Cash at bank and in hand		1,663	683
		<u>3,379</u>	<u>3,378</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	16	(3,964)	(3,615)
<b>Net current assets</b>		<u>(585)</u>	<u>(237)</u>
Creditors: amounts falling due in more than one year		(2,090)	-
<b>Net assets</b>		<u>21,282</u>	<u>23,064</u>
<b>The funds of the Society:</b>			
Restricted income funds	17	58	58
<b>Unrestricted funds:</b>	17		
General funds		14,389	14,231
Designated funds		2,776	4,701
Revaluation reserve		4,059	4,074
<b>Total unrestricted funds</b>	17	<u>21,224</u>	<u>23,006</u>
<b>Total funds</b>		<u>21,282</u>	<u>23,064</u>

The financial statements on pages 16 to 42 were approved by the Board of Trustees and authorised for issue on 18 June 2021 and signed on its behalf by:



Professor C McGuinness  
Interim Chair of the Board of Trustees

STATEMENTS OF CASH FLOWS  
for the year ended 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Society 2020 £'000	Society 2019 £'000
<b>Cash provided by operating activities</b>	21	482	(3,694)	511	(3,848)
<b>Cash flow from investing activities:</b>					
Dividend and interest from investments		42	427	42	427
Purchase of tangible fixed assets		(55)	(150)	(55)	(150)
Disposal of tangible fixed assets		-	30	-	30
Purchase of investments		(15,154)	(2,073)	(15,154)	(2,073)
Proceeds from sales of investments		15,636	3,222	15,636	3,222
<b>Cash generated from/(used in) investing activities</b>		469	1,456	469	1,456
<b>Change in cash and cash equivalents in the year</b>		951	(2,508)	980	(2,392)
<b>Cash and cash equivalents at the beginning of the year</b>		732	3,240	683	3,075
<b>Cash and cash equivalents at the end of the year</b>		1,683	732	1,663	683

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

### 1. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT AREAS OF MANAGEMENT JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Classification between Property, Plant and Equipment and Investment Properties**

Management determine whether a property qualifies as an investment property and has developed criteria in making that judgement. An investment property is a property held to earn rentals or for capital appreciation or both. Therefore, management consider whether a property generates cash flows largely independently of other assets held.

One of the group's properties comprises a portion that is held to generate rental income and another portion which is used for the supply of services and administrative purposes. These portions cannot be sold separately and management consider the portion of the property which generates rental income to be insignificant. Therefore, this property has been accounted for as Property, Plant and Equipment. The net book value of this property as at 31 December 2020 was £5,657,061 (2019: £5,712,363).

#### **Provisions for Bad Debts**

A provision is made for bad debts. The bad debt provision requires management's best estimate of the costs that will be incurred against debtors based on contractual requirements and management's judgement regarding the associated future cash inflows. The value of the bad debt provision recognised as at 31 December 2020 was £103,143 (2019: £170,475).

### 2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **(a) Basis of preparation**

The financial statements have been prepared in accordance with 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 (FRS 102) – (Charities SORP (FRS 102)) and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The British Psychological Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

### 2. ACCOUNTING POLICIES (continued)

**(b) *Preparation of accounts on a going concern basis***

The accounts have been prepared on a going concern basis. Having carried out a detailed review of the Group's resources and the challenges presented by the current economic climate, the trustees are satisfied that the Group has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the accounts.

There are no significant financial uncertainties which the trustees consider are a significant risk to the ability of the Group to trade as a going concern in the foreseeable future.

**(c) *Group financial statements***

The group financial statements consolidate the results of the Society and its wholly owned subsidiary undertaking at 31 December using acquisition accounting on a line by line basis. Uniform accounting policies are adopted across the group and inter-group transactions and balances are eliminated.

**(d) *Income recognition***

Income is recognised when the Society has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Members' subscriptions represent subscriptions in respect of the accounting year and arrears received during the year. Subscriptions received in advance relating to the subsequent year are excluded from income and carried forward as deferred income.

Exams, accreditation and conferences income represents income received during the year in respect of the accounting year. Any income received in advance is excluded and carried forward as deferred income. Any income due at the year-end is treated as a debtor.

Journal income represents income received during the year in respect of the accounting year. Any income due at the year-end is treated as a debtor

Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term within the statement of financial activities.

Income arising from amounts invested in accumulation units in the COIF Charities Investment Fund cannot be determined separately and is treated as unrealised gains in the Statement of Financial Activities.

Other income is recognised on a receivable basis.

**(e) *Investments and investment income***

All listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Both realised and unrealised gains and losses are shown in the Consolidated and Society's Statement of Financial Activities. The Statement of Financial Activities includes the net gains and losses arising from revaluations and disposals throughout the year. Income arising from amounts invested in accumulation units in the COIF Charities Investment Fund cannot be determined separately and is treated as unrealised gains in the Statement of Financial Activities. The fair value of the investments quoted on a recognised stock exchange is the quoted bid price.

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

### 2. ACCOUNTING POLICIES (continued)

**(f) Fund accounting**

The Society has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

**General funds**

This contains funds that are expendable at the discretion of the Trustees of the Society in the furtherance of the objectives of the Society and which have not been designated for other purposes.

**Designated funds**

The Society may, following approval of the Trustees of the Society, set aside funds for specific purposes that would otherwise form part of the general funds.

**Restricted funds**

These comprise funds and donations to the Society that are restricted to the furtherance of one or more specific objectives of the Society.

**Revaluation reserve**

This fund represents the surplus from the revaluation to fair value at 1 January 2014, permitted by FRS102 transition provisions, with respect to freehold land and building to determine the new deemed cost at that date.

**(g) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that the Trustees consider are consistent with the objectives of the Society. Where costs cannot be directly attributed to a particular objective they have been allocated to activities on a basis consistent with the use of resources.

**(h) Value added tax (VAT)**

The Society is treated as partially exempt for VAT purposes. Consequently not all input tax is able to be reclaimed. Any residual amount becomes an expense of the Society and this amount is included in support costs.

**(i) Allocation of support costs**

Support costs are accounted for on an accruals basis and comprise those costs which are not regarded as direct charitable expenditure or cannot readily be allocated to any one heading. These costs include, inter alia, the costs of managing the Society's assets, organisational management, together with administration and compliance with constitutional and statutory requirements. Also included are those costs for Leicester and London premises, equipment repairs, system development and depreciation. Legal and professional fees and audit costs are also included as well as irrecoverable VAT.

**(j) Tangible fixed assets and depreciation**

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on the straight line basis at rates estimated to write off the assets over the rest of their economic lives. No depreciation is provided on freehold land.

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

### 2. ACCOUNTING POLICIES (*continued*)

The rates used for other assets are as follows:

Freehold buildings purchased	- 2% per annum
Subsequent improvements to freehold buildings	- 10% per annum
Computer equipment	- 33% per annum
Printing equipment	- 20% per annum
Office equipment, principally furniture	- 10% per annum

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the assets as if it were at the age and in the condition expected at the end of its useful life.

#### (k) **Society Library**

The Society has a comprehensive collection of books and periodicals housed at the University of London's Senate House, Malet Street, London. It would be of a significant cost to the Group and Society to value this collection and therefore they are carried at a notional value of £2 in the balance sheet.

#### (l) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

#### (m) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and monies on short term deposits at the bank, other short-term liquid investments with original maturities of three months or less.

#### (n) **Creditors and provisions**

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### (o) **Financial instruments**

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments, except for investments classified at fair value through profit or loss, are initially recognised at transaction value and subsequently measured at their settlement value.

#### (p) **Pension scheme**

The Society operates a defined contribution pension scheme the assets of which are invested and managed independently of the finances of the Society. The costs of providing pensions for employees are charged in the Statement of Financial Activities and represents contributions payable in the year.

#### (q) **Taxation**

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



## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

### 2. ACCOUNTING POLICIES (*continued*)

**(r) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis to the Statement of Financial Activities over the period of the lease.

### 3. LEGAL STATUS OF THE SOCIETY

The British Psychological Society (Society) is incorporated by Royal Charter and is registered at the Charity Commission for England and Wales. The Society is also registered separately in Scotland with the OSCR. The Society is governed by a Royal Charter originally granted in February 1965 and last revised in November 2010.

The address of the Society's principal place of business is St Andrew's House, 48 Princess Road East, Leicester, LE1 7DR.

The Group consists of The British Psychological Society and its two subsidiaries, BPS Communications Limited and BPS Assessments and Awards Limited, whose registered office is St Andrew's House, 48 Princess Road East, Leicester, LE1 7DR.

The Group's principal objective is to promote the advancement and diffusion of the knowledge of psychology pure and applied and especially to promote the efficiency and usefulness of members of the Society by setting up a high standard of professional education and knowledge.

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 4. JOURNALS AND BOOK PUBLISHING

	2020 £'000	2019 £'000
Income from journal subscriptions and sales	1,992	2,120
Income from book and publications sales	24	23
	<u>2,016</u>	<u>2,143</u>
	<u><u>2,016</u></u>	<u><u>2,143</u></u>

### 5. OTHER INCOME

	2020 £'000	2019 £'000
Advertising revenue	139	201
Examination income	415	735
Quality assurance	629	518
Rental income	90	223
Professional Development Centre	135	167
Sundry income	48	17
	<u>1,456</u>	<u>1,861</u>
	<u><u>1,456</u></u>	<u><u>1,861</u></u>

Sundry income includes furlough grants of £23,000

### 6. INVESTMENT INCOME

	2020 £'000	2019 £'000
Income from listed investments	24	415
Bank and money market interest	18	12
	<u>42</u>	<u>427</u>
	<u><u>42</u></u>	<u><u>427</u></u>

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

**7. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY**

The Society is the 100% owner, through nominees, of BPS Communications Limited (company number 0132669), which runs the commercial advertising services for The British Psychological Society. The company distributes any profits to the Society each year under the Gift Aid scheme. BPS Assessments and Awards Limited, incorporated in June 2020, will commence operations in 2021.

Trading results of BPS Communications Limited for the twelve months to 31 December 2020 are shown below.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	322	380
Cost of sales	<u>(116)</u>	<u>(133)</u>
Gross profit	206	247
Distribution costs	(153)	(166)
Administrative costs	<u>(55)</u>	<u>(74)</u>
Loss before taxation	(2)	7
Loss for year	<u>(2)</u>	<u>7</u>

The assets and liabilities of the subsidiary are:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Current assets:		
Debtors	396	456
Cash at bank	<u>20</u>	<u>49</u>
	416	505
Creditors: amount falling within one year	(418)	(505)
	<u>(2)</u>	<u>-</u>

During the year the Society charged BPS Communications Limited service charges amounting to £14,415 (2019: £44,000) in respect of services provided by the Society. Trading costs, excluding these costs, amount to £310,000 (2019: £329,000). At the year-end, the Society was owed £355,000 (2019: £461,000) by BPS Communications Limited and owed BPS Communications Limited £281,000 (2019: £304,000).

All profits generated by BPS Communications Limited for 2020 are distributed to the British Psychological Society under Gift Aid.

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 8. TOTAL EXPENDITURE

Group	2020 £'000	2019 £'000
<b>Expenditure on charitable activities:</b>		
<b>Advancement of psychology</b>		
Journal costs	806	1,085
Direct salaries	919	848
Other direct costs	155	322
Support costs	281	278
	<u>2,161</u>	<u>2,533</u>
<b>Application of psychology</b>		
Section expenditure	704	1,963
Direct salaries	76	65
Other direct costs	27	30
Support costs	20	25
	<u>827</u>	<u>2,083</u>
<b>Conferences and events</b>		
Society conferences	183	404
Direct salaries	151	422
Other direct costs	25	161
Support costs	46	149
	<u>405</u>	<u>1,136</u>
<b>Co-operation with other organisations</b>		
Direct salaries	197	187
Other direct costs	33	82
Support costs	59	62
	<u>289</u>	<u>331</u>
<b>Diffusion of knowledge</b>		
Publishing costs	539	708
Direct salaries	1,491	1,107
Other direct costs	237	418
Support costs	460	362
	<u>2,727</u>	<u>2,595</u>
<b>Examinations and training</b>		
Examinations costs	338	409
Direct salaries	753	704
Other direct costs	127	269
Support costs	230	232
	<u>1,448</u>	<u>1,614</u>

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 8. TOTAL EXPENDITURE (continued)

Group	2020 £'000	2019 £'000
<b>Expenditure on charitable activities:</b>		
<b>Membership</b>		
Direct salaries	1,749	1,643
Other direct costs	294	626
Support costs	534	541
	<u>2,577</u>	<u>2,810</u>
<b>Science and policy</b>		
Direct salaries	693	563
Other direct costs	117	215
Support costs	212	186
	<u>1,022</u>	<u>964</u>
Trading costs	308	336
Investment management fees	16	58
Pension provision	-	763
Change programme costs	2,229	1,299
	<u>2,553</u>	<u>2,456</u>
<b>Total expenditure</b>	<u>14,009</u>	<u>16,512</u>

### Society

The total expenditure during the year was £13,701,000 (2019: £16,176,000), which includes all the cost analysis within the group total expenditure above apart from the trading costs £308,000 (2019: £336,000).

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 9. SUPPORT COST ALLOCATION

	Property costs £'000	IT costs £'000	HR & Finance £'000	Directorate costs £'000	2020 £'000	2019 £'000
<b>Charitable expenditure:</b>						
Advancement of psychology	32	50	116	83	281	278
Application of psychology	2	4	8	6	20	25
Conferences and events	5	8	19	14	46	139
Co-operation	7	10	24	17	58	62
Diffusion of knowledge	55	81	189	135	460	362
Examinations and training	27	41	95	68	231	232
Membership	63	94	220	157	534	541
Science and policy	26	37	87	62	212	186
<b>Total expenditure</b>	<u>217</u>	<u>325</u>	<u>758</u>	<u>542</u>	<u>1,842</u>	<u>1,825</u>

The Group has identified the costs of the support function and costs which relate to the governance function which amount to £549,334 (2019 restated: £430,910). The support costs are apportioned between the eight key charitable activities undertaken (see note 8) in the year.

Cost allocation includes an element of judgement and the Society has had to consider the cost benefit of detailed calculations and record keeping. All categories have been allocated on a basis consistent with the use of resources, which are analysed above.

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 10. NET INCOME FOR THE YEAR

#### Group and Society

Net income is stated after charging:

	2020 £'000	2019 £'000
Depreciation	304	308
Auditors' remuneration - audit services	28	22
- other services	2	2
	<u>2</u>	<u>2</u>

### 11. STAFF NUMBERS AND EMOLUMENTS

The average number of persons employed during the year was as follows:

	2020 Full time	2020 Part time	2019 Full time	2019 Part time
Leicester office	107	20	93	22
London office	8	1	6	2
Regional centres	1	0	1	2
	<u>116</u>	<u>21</u>	<u>100</u>	<u>26</u>

Average FTE was 131 (2019: 117).

Remuneration of employees was as follows:

	2020 Total £'000	2019 Total £'000
Gross wages and salaries	5,281	4,216
Employer's National Insurance	550	419
Defined contribution pension costs	469	371
	<u>6,300</u>	<u>5,006</u>

Furlough grants received during the year of £23,000 have been included under other income.

During the year statutory redundancy and termination payments to 8 employees amounted to £86,368 (2019: £171,685).

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

**11. STAFF NUMBERS AND EMOLUMENTS (continued)**

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group and charged to the Statement of Financial Activities were £469,000 (2019: £371,000), of which £61,707 (2019: £54,240) were due at the year-end.

The number of employees earning over £60,000 (excluding pension contributions) was as follows:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	4	1
£70,000 - £79,999	-	1
£80,000 - £89,999	2	-
£90,000 - £99,999	2	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1
£120,000 - £129,999	1	-

During the year the group paid pension contributions in respect of the above higher paid individuals amounting to £85,746 (2019: £29,249).

**12. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES**

The Trustees neither received nor waived any emoluments during the year and for 2020 travelling and subsistence expenses were repaid to 7 Trustees (2019: 16) totalling £2,219 (2019: £10,647).

The key management personnel of the Society comprise the Trustees, the Chief Executive and the Senior Management Team. The total employee benefits of the key management personnel of the Society were £869,572 (2019: £568,441) representing a full years costs of new members of the senior management team recruited in 2019.

The Society has taken out Trustees' indemnity insurance providing cover of five million pounds. The cost of this insurance for the year was £4,004 (2019: £4,351). No claims have been made under this policy.

The Royal Charter states that "the President and Honorary General Secretary may receive payment out of the property of the Society to compensate them for the sum or sums of money lost from employment or deducted from their earnings by their employers in respect of time spent on the conduct of the business of the Society".

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
President 2019 – 2020	£nil	£nil
President 2018 - 2019	£nil	£13,125
Honorary General Secretary	£nil	£nil



# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 13. TANGIBLE FIXED ASSETS

#### Group and Society

	Freehold land & buildings £'000	Computer & Print £'000	Office equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2020	9,260	308	382	9,950
Additions	-	54	1	55
Disposals	-	-	-	-
At 31 December 2020	9,260	362	383	10,005
<b>Depreciation</b>				
At 1 January 2020	1,489	209	151	1,849
Charge for the year	211	55	38	304
Disposals	-	-	-	-
At 31 December 2020	1,700	264	189	2,153
<b>Net book value</b>				
At 31 December 2020	7,560	98	194	7,852
At 31 December 2019	7,771	99	231	8,101

It is not considered practicable to segregate the tangible fixed assets between those used for management, administration and support purposes and those which are used for directly charitable purposes. All of the assets form an integral part of the activities that enable the Society to further its charitable objectives.

The Group and Society revalued the freehold land and buildings at 1 January 2014 at £8,265,000. The valuation was carried out by Underwoods LLP using the Market Approach method to determine the Fair Value at those dates. The Group and Society took advantage of the provisions contained in FRS102 for first-time adopters to use the Fair Value Valuations at 1 January 2014 to be the deemed cost of the freehold land and buildings at that date, being the date of transition.

Included in the net book value of the freehold land and building of £7,560,000 (2019: £7,771,000) is £3,855,000 (2019: £3,855,000) relating to non-depreciated freehold land.

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

### 31 December 2020

<b>14. FIXED ASSET INVESTMENTS</b>	<b>2020</b>	<b>2019</b>
<b>Group and Society</b>	<b>£'000</b>	<b>£'000</b>
Market value at 1 January 2020	15,200	13,418
Additions	15,154	2,073
Disposal proceeds	(15,636)	(3,759)
Net investment (loss)/gain unrealised	1,451	1,879
Net investment gain/(loss) realised	(64)	341
Market value at 31 December 2020	<u>16,105</u>	<u>13,952</u>
Cash awaiting investment	<u>-</u>	<u>1,248</u>
<b>Total at 31 December 2020</b>	<u><u>16,105</u></u>	<u><u>15,200</u></u>

In the first quarter of 2020, the Society sold all investments held with Investec. Disposals totalled £15,636,000 with realised losses in respect of these equalling £64,000. The proceeds and any income received following disposals, other than £500,000 retained to support cash flow during the year, were reinvested with CCLA during the year in accumulation units and a cash deposit to maintain liquidity

At 31 December 2020, the investment portfolio consisted of 3,556,725 units invested in accumulation units of the COIF Charities Investment Fund managed by CCLA with a bid market valuation of £15,102,000 and a balance of £1,003,000 was held in a cash deposit with CCLA. Income arising from amounts invested in the COIF Charities Investment Fund cannot be determined separately and is treated as unrealised gains in the Statement of Financial Activities.

Asset allocation of the COIF Investment Fund as at 31 December 2020:

• Overseas Equities	69.29%
• UK Equities	9.25%
• Infrastructure & Operating Assets	7.81%
• Cash & Near Cash	4.66%
• Property	4.27%
• Contractual, Private Equity & Other	4.72%

Investment assets in 2019 comprised of £12,405,000 in UK and overseas equities, £1,547,000 in fixed interest securities and £1,247,000 in cash.

#### 15. DEBTORS

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>Group</b>	<b>Society</b>	<b>Society</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	303	1,204	188	1,084
Prepayments and accrued income	1,041	929	1,041	897
Amounts due from subsidiary company	-	-	355	461
VAT recoverable	131	253	131	253
	<u>1,475</u>	<u>2,386</u>	<u>1,715</u>	<u>2,695</u>

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 Group	2019 Group	2020 Society	2019 Society
	£'000	£'000	£'000	£'000
Trade creditors	415	524	354	503
Subscriptions received in advance	1,114	646	1,114	646
Other deferred income	913	1,262	913	1,257
Other creditors	395	408	395	408
Accruals	642	359	642	353
Amounts due to subsidiary company	-	-	281	304
Other taxation and social security	155	156	155	144
Bank Loan	110	-	110	-
	<u>3,744</u>	<u>3,355</u>	<u>3,964</u>	<u>3,615</u>

### Group and Society Deferred Income

	Group £'000	Society £'000
Balance as at 1 January	1,908	1,903
Amounts released from previous year	(1,908)	(1,903)
Income deferred in the year	2,027	2,027
Balance as at 31 December	<u>2,027</u>	<u>2,027</u>

Other deferred income comprises Exams fees (£481,229) (2019: £708,570), Annual Conference (£331) (2019: £88,439), Accreditation fees (£432,302) (2019: £432,546) and Professional Development Centre £nil (2018; £27,485).

### 16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2020 Group	2019 Group	2020 Society	2019 Society
	£'000	£'000	£'000	£'000
CBILS Bank Loan	2,090	-	2,090	-
	<u>2,090</u>	<u>-</u>	<u>2,090</u>	<u>-</u>

## NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2020

**16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR (continued)**

A Coronavirus Business Interruption Loan of £2,200,000 was drawn down on 2<sup>nd</sup> October 2020, this has a 12 month Capital and Interest free period and is then due to be repaid over 60 instalments. The Loan was secured a rate of base rate plus 1.69% per annum.

**17. ANALYSIS OF CHARITABLE FUNDS****Group****Analysis of movements in unrestricted funds**

	<b>Funds brought forward at 1 Jan 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Funds carried forward at 31 Dec 2020 £'000</b>
General	14,231	10,839	(11,764)	1,083	14,389
Designated fund	4,701	-	(2,245)	320	2,776
Revaluation reserve	4,074	-	-	(15)	4,059
	<u>23,006</u>	<u>10,839</u>	<u>(14,009)</u>	<u>1,388</u>	<u>21,224</u>

**Society****Analysis of movements in unrestricted funds**

	<b>Funds brought forward at 1 Jan 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Funds carried forward at 31 Dec 2020 £'000</b>
General	14,231	10,531	(11,456)	1,083	14,389
Designated fund	4,701	-	(2,245)	320	2,776
Revaluation reserve	4,074	-	-	(15)	4,059
	<u>23,006</u>	<u>10,531</u>	<u>(13,701)</u>	<u>1,388</u>	<u>21,224</u>

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 17. ANALYSIS OF CHARITABLE FUNDS (continued)

#### Group

	Funds brought forward at 1 Jan 2019 Restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Funds carried forward at 31 Dec 2019 £'000
General	19,111	12,963	(15,213)	(3,430)	14,231
Designated fund	335	-	(1,299)	5,665	4,701
Revaluation reserve	4,089	-	-	(15)	4,074
	<u>24,335</u>	<u>12,963</u>	<u>(16,512)</u>	<u>2,220</u>	<u>23,006</u>

#### Society

	Funds brought forward at 1 Jan 2019 Restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Funds carried forward at 31 Dec 2019 £'000
General	19,835	12,703	(14,877)	(3,430)	14,231
Designated fund	335	-	(1,299)	5,665	4,701
Revaluation reserve	4,089	-	-	(15)	4,074
	<u>24,259</u>	<u>12,703</u>	<u>(16,176)</u>	<u>2,220</u>	<u>23,006</u>

General funds contain the funds that are expendable at the discretion of the Trustees of the Society in the furtherance of the objectives of the Society.

Expenditure of £2,229,000 on the Change Programme was charged to the designated fund during the year. A new designated fund of £320,000 was created to meet the costs of the Member Journey Review over the next three years. Expenditure of £16,000 was charged to this fund during the year.

Revaluation reserve: This fund represents the surplus from the revaluation to fair value at 1 January 2014, permitted by FRS 102 transitions provisions, with respect to freehold land and building to determine the new deemed cost at that date. An annual transfer is made between the revaluation reserve and retained earnings for assets which are depreciated and does not include any amounts for non-depreciable land.

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 17. ANALYSIS OF CHARITABLE FUNDS (continued)

#### Group and Society

#### Analysis of movements in restricted funds

	<b>Funds brought forward at 1 Jan 2020 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains and losses £'000</b>	<b>Funds carried forward at 31 Dec 2020 £'000</b>
William Inman	7	-	-	-	7
Visual archive	10	-	-	-	10
BJEP fund	41	-	-	-	41
	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>

	<b>Funds brought forward at 1 Jan 2019 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains and losses £'000</b>	<b>Funds carried forward at 31 Dec 2019 £'000</b>
William Inman	7	-	-	-	7
Visual archive	10	-	-	-	10
BJEP fund	41	-	-	-	41
	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>

The William Inman Fund was set up in 1968 following a bequest of £1,000 to the Society to provide an annual prize. The Visual Archive is a legacy that was left to the Society in 1988 to provide for a visual library. The British Journal of Educational Psychology fund is for the development of the journal along with the other Society titles.

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 18. FINANCIAL INSTRUMENTS

The carrying amount of the Group's and Society's financial instruments at 31 December were:

	2020 Group £'000	2019 Group £'000	2020 Society £'000	2019 Society £'000
<b>Financial assets</b>				
Debt instruments measured at amortised cost	884	1,698	1,239	2,159
Instruments measured at fair value through profit or loss	16,105	15,200	16,105	15,200
<b>Total net assets</b>	<u>16,989</u>	<u>16,898</u>	<u>17,344</u>	<u>17,359</u>
<b>Financial liabilities</b>				
Debt instruments measured at amortised cost	1,391	1,270	1,672	1,568
Instruments measured at fair value through profit and loss	2,200	-	2,220	-
	<u>3,591</u>	<u>1,270</u>	<u>3,872</u>	<u>1,568</u>

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### Group

Fund balances at 31 December 2020 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,852	-	7,852
Investments	16,105	-	16,105
Current assets	3,101	58	3,159
Current liabilities	(3,744)	-	(3,744)
Long term liabilities	(2,090)	-	(2,090)
<b>Total net assets</b>	<u>21,224</u>	<u>58</u>	<u>21,282</u>

# NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

## 31 December 2020

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

#### Society

Fund balances at 31 December 2020 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,852	-	7,852
Investments	16,105	-	16,105
Current assets	3,321	58	3,379
Current liabilities	(3,964)	-	(3,964)
Long term liabilities	(2,090)	-	(2,090)
<b>Total net assets</b>	<b>21,224</b>	<b>58</b>	<b>21,282</b>

#### Group

Fund balances at 31 December 2019 were represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	8,101	-	8,101
Investments	15,200	-	15,200
Current assets	3,060	58	3,118
Current liabilities	(3,355)	-	(3,355)
<b>Total net assets</b>	<b>23,006</b>	<b>58</b>	<b>23,064</b>

#### Society

Fund balances at 31 December 2019 were represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	8,101	-	8,101
Investments	15,200	-	15,200
Current assets	3,320	58	3,378
Current liabilities	(3,615)	-	(3,615)
<b>Total net assets</b>	<b>23,006</b>	<b>58</b>	<b>23,064</b>

### 20. CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in 2020 and 2019.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

**21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Group 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Society 2020 £'000</b>	<b>Society 2019 £'000</b>
Net (outgoing)/incoming resources	(1,782)	(1,329)	(1,782)	(1,253)
Adjustments for:				
Depreciation charges	304	308	304	308
Loss/(Gains) on investments	(1,388)	(2,220)	(1,388)	(2,220)
Investment income in investing activities	(42)	(427)	(42)	(427)
Decrease in debtors	911	978	980	964
Increase in creditors	389	(511)	349	(457)
Increase in Loans	<u>2,090</u>	<u>(763)</u>	<u>2,090</u>	<u>(763)</u>
<b>Net cash provided by operating activities</b>	<u>482</u>	<u>(3,964)</u>	<u>511</u>	<u>(3,848)</u>

**22. RECONCILIATION OF NET DEBT**

	<b>January 2020 £'000</b>	<b>Cash Flows £'000</b>	<b>Non-Cash Changes £'000</b>	<b>December 2020 £'000</b>
<b>Cash and cash equivalents</b>				
Cash	<u>732</u>	<u>951</u>	<u>-</u>	<u>1,683</u>
	<u>732</u>	<u>951</u>	<u>-</u>	<u>1,683</u>
<b>Borrowings</b>				
Debt due within one year	-	110	-	110
Debt due after one year	-	2,090	-	2,090
	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>2,200</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

**23. COMMITMENTS UNDER OPERATING LEASES****The Group and Society as a lessee:**

The total future minimum lease payments under non-cancellable operating leases for land and buildings as set out below.

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Amounts due:		
Within 1 year	<u>4</u>	<u>4</u>

**The Group and Society as lessor:**

At the year end, the Group had contracted with tenants, under non-cancellable operating leases, for the following total future minimum leases payments:

	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
Amounts receivable:		
Less one year	22	62
Between one and five years	-	-
	<u>          </u>	<u>          </u>

The Group and Society have leased out part of the freehold land and buildings used by them to a third party. The Trustees have considered the terms of the lease and future purpose of the property and consider the rent received in proportion of the freehold land and building held to be insignificant and therefore have not accounted for the part leased as an investment property

## Legal and Administrative Information

### Trustees

President	Vacant Mr D Murphy (to 30.06.2020) Dr H McLaughlin (from 30.06.2020 to 12.04.2021)
President Elect	Dr H McLaughlin (to 30.06.2020) Dr N MacLennan (to 04.05.2021)
Vice President	Mr D Murphy (to 10.02.2021) Vacant
Honorary General Secretary	Dr C A Allan
Honorary Treasurer	Dr R Gervais
Trustee	Ms A Clarke
Trustee	Mr C D Lynch (to 29.01.2021)
Trustee	Professor C McGuinness (from 01.05.2020)
Trustee	Professor D B O'Connor
Trustee	Dr J Foster (to 23.09.2020)
Trustee	Dr A Jowett
Trustee	Ms C Buxton
Trustee	Professor C Stott (to 12.06.2020)
Trustee	Dr E Cohen-Tovee (from 19.07.2019)
Trustee	Professor N Stack (from 07.05.2021)

### Chief Executive and Senior Management Team

Chief Executive	Mr S Bajwa
Director of Change Programme	Ms D Ashby
Director of Communications and Engagement	Ms R Dufton
Director of IT	Mr M Laffan
Director of Finance and Resources	Mr H Hadani (to 14.12.2020)
Director of Policy	Ms K Scott (to 09.10.2020)
Director of Membership and Professional Development	Ms K Beamish
Director of Knowledge and Insight	Ms D Malpass (from 13.01.2020)
Head of Legal and Governance	Ms C Attfield

### Principal place of business

St Andrew's House  
48 Princess Road East  
Leicester  
LE1 7DR

## Legal and Administrative Information (continued)

### Statutory auditors

Mazars LLP  
Statutory Auditor  
First Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

### Principal banker

The Royal Bank of Scotland plc  
5 Market Street  
Leicester  
LE1 6DN

### Legal advisors

Bates Wells Braithwaite LLP  
10 Queens Street Place  
London  
EC4R 1BE

Nelsons  
37 New Walk  
Leicester  
LE1 6TU

### Pension advisors

Aegon  
Platform Client Services  
1-3 Lochside Crescent  
Edinburgh Park  
Edinburgh  
EH12 9SE

### Investment managers

CCLA  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### Registered Charity Number England and Wales

229642

### OSCR Charity Number Scotland

SC039452