



the british
psychological society
promoting excellence in psychology

For the year ended
31 December 2021



Contents

2021 Trustees' Annual Report	1
Independent Auditor's Report	13
Consolidated Statement of Financial Activities	17
The Society Statement of Financial Activities	18
Consolidated Balance Sheet	19
Society Balance Sheet	20
Statements of Cash Flows	21
Notes to the Consolidated and Society Financial Statements	22
Legal and Administrative Information	46

2021 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 2021. 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

Structure, governance and management

The Society is governed by a Royal Charter, originally granted in February 1965, 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.'

In December 2021, following consultations with members in relation to proposed changes to the Society's membership grades and governance arrangements, the trustees approved a number of amendments to the Society's Royal Charter, Statutes and Rules. These amendments were then approved by a ballot of members, the results of which were confirmed at a Special General Meeting in February 2022. At the time of writing, we are awaiting formal approval from the Privy Council of the amendments to the Royal Charter and Statutes.

The proposed redesign of membership grades seeks to improve inclusivity, to address the lack of opportunity for graduates who are not intending on a career as a Chartered Psychologist, to improve flexibility in accessing membership (without impacting on standards), and to open the Society to membership from the wider psychological workforce.

The aim of the proposed governance changes is to modernise the Society's governance, including by separating the role of President from a new role of Chair, by allowing for the possibility of some trustees with specialist skills being drawn from outside Society membership, and by updating and modernising the Society's governance arrangements to reflect changes in charity law.

Legal and administrative information, including details of the trustees, Chief Executive and Senior Management Team, can be found on pages [46] and [47] or on the Society's website: 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.

2021 Trustees Annual Report (Continued)

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.

Trustees have continued to focus on excellent practice as outlined by the Charity Code of Governance. Trustees have planned for the governance changes under the proposed amendments to the Royal Charter and Statutes. In September 2021, the Board of Trustees approved the establishment of the new Equality, Diversity and Inclusion Strategy Board. The Board of Trustees seek to ensure that they 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 for being a Trustee in the year. Details of Trustee expenses are disclosed in note [12] to the accounts.

During 2021 there were three sub-committees of the Board of Trustees which reported directly to the Board, providing oversight of Risk and Assurance, Human Resources and Finance. During 2022 the Board of Trustees reviewed its subcommittees and established a new Governance, Board Effectiveness and Nominations subcommittee. The terms of reference of all the subcommittees were revised in 2022.

2021 Trustees Annual Report (Continued)

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

Achievements and performance

In another year that has brought unique challenges, staff have worked to adapt to the ever-changing world, navigating the pandemic – which started with full lockdowns, moved through varying degrees of society opening back up, and ended with booster vaccinations in the winter and seeing the light at the end of a very long tunnel.

Moving psychological science forward

We have continued to move psychological science forward throughout 2021 and have worked in partnership with member networks to offer online events and conferences. More than 300 events were delivered – a combination of CPD, open science, conferences and networking events – with more than 25,000 delegates across the year.

All the events continued to be delivered online, with the exception of two live events towards the end of the year. The Division of Sport and Exercise Psychology held a successful face-to-face conference in December which was a welcome start to return to in-person events.

During 2021 we have managed 84 AGMs, the majority online, continuing the increased attendance and engagement. During the year, we administered more than 500 member network meetings, a significant increase due to the accessibility of conducting meetings virtually.

2021 Trustees ANNUAL REPORT (Continued)

In 2021 we successfully integrated PsyPAG the postgraduate affairs group to become an official BPS member network. This enabled us to build strong links with the postgraduate community, better support their events, research and publications and offer a clearer and stronger journey and home for our student and graduate members. We closed the year with 48,107 member network registrations, an increase of 1,485 on the year before.

First-class research is at the heart of what we do. It enables us to understand the challenges facing our membership, but also shines a spotlight on the standard of work within psychology. We published reports from two surveys exploring the impact of Covid-19 on psychology university staff and students in the UK with follow-up surveys undertaken in November 2021. Our move to position the society with a strong voice on large issues saw us mark COP26 with research to understand the impact of climate change on mental health. We continued to provide a range of guidance documents for our members including an updated 'Alternative Handbook' in partnership with the Division of Clinical Psychology. We also updated the BPS internet mediated research guidelines and our 'Supporting people who lack mental capacity – a guide to best interests decision making' guidance.

Our highly respected journals continue to perform well, with a 31 per cent increase in the number of downloads of articles from the BPS portfolio. Impact factors have increased for six of the journals, with British Journal of Health Psychology at 8.101 and British Journal for Social Psychology at 6.920. We reached global audiences with 19 percent of downloads coming from the USA and 22 percent the 'rest of the world'. Ensuring open and transparent access to research is key, with an increase from 28 per cent in 2020 to 39 per cent of articles published in 2021 as open access.

In November 2021 the trustees approved the redesignation of the Special Group in Coaching Psychology as a Division, setting the ground for the society to be the leading authoritative voice in the education, training, practice and development of the coaching profession in the UK. This is the culmination of many years of work by members with expertise in this area who have made coaching psychology a recognised domain of practice, including the development of standards for the accreditation of Level seven programmes in coaching psychology, and Level eight standards for the recognition of individuals as Chartered Coaching Psychologists. Members of the SGCP are being transferred into the new Division through an innovative peer review process, and a new professional recognition route is under development to recognise the expertise of individuals through a new flexible and inclusive portfolio assessment process.

2021 Trustees ANNUAL REPORT (Continued)

Supporting our members

Members are the lifeblood of our organisation and despite having a significant reduction in processing capability due to the implementation of the new CRM the society grew its membership by one per cent in 2021. We launched a 'Find your Member Network' tool which thanks to an engaging marketing campaign drove a three per cent growth in members participating in networks.

To support the membership team the marketing team expanded in order to provide more dedicated resource to our member retention and recruitment strategy. We implemented a multi-step personalised approach to our communications which enabled us to lapse 28 per cent less members in 2021 compared to 2020 (9,056 v 11,157). We offered automatic student membership to all learners on the first year of a BPS-accredited programme, allowing the society to directly support students entering into the profession.

We made improvements to member benefits to ensure we are meeting our members' needs throughout their psychology journey and took forward the Member Journey initiative, undertaking a substantial review of the member grades, understanding why people join and why members leave. More than 1,000 members engaged in different ways and we also engaged non-members and those who left membership of the BPS.

At 31 December 2021 we had 17,064 student members, 26,886 graduates and 20,116 chartered members.

As one of the improved membership benefits, the BPS continued to develop and deliver a range of Professional Development opportunities. 2021 saw the launch of three Autism e-learning modules and our Supervision Skills refresher course. Alongside this professional development we delivered 31 live webinars engaging with 1,281 learners. 2021 also saw the release of a number of recorded webinars on BPS Learn to enable members to learn and study at a time and pace that suits them. We have increased the offering on BPS Learn to include qualification and apprenticeship portals.

Our magazine, *The Psychologist*, attracted 2.2 million users to its website, up 12 per cent on the year before. Its community also grew on social media, including 140,000+ followers on Twitter. A continued focus on channels, community and content has helped us to put out packed and diverse print editions, including a combined July/August edition around the society's Senate-voted theme 'From poverty to flourishing'. A contributor to that, Professor Greta Defeyter, was our speaker for 'The Psychologist Presents...' at Latitude Festival.

We also put on several workshops for university departments, plus one on 'living with and beyond cancer' (linked to our May issue) which was hosted by psychologist and broadcaster Sian Williams.

Our Research Digest website welcomed 2.46 million visitors, ahead of its planned integration with The Psychologist online. We put out six episodes of the PsychCrunch podcast, which received more than 90,000 downloads across the year, and sent out 50 email newsletters.

We continued to build on the Member Communications project in order to ensure members are getting the information they want and need. A shift to a new email platform in Q4 of 2021 enabled us to streamline our design and production process and implement dynamic content to members' preferences.

Online Communities, our platform designed to increase opportunities for member discussion and collaboration, continues to grow and be a hub for discussion and debate. It has gained 4,564 new sign-ups across 2021 with 164 posts on average per month by members.

2021 Trustees ANNUAL REPORT (Continued)

Promoting the highest standards in education

We have continued to respond swiftly and adapt to hybrid working to ensure that the highest standards in psychology education were maintained during the lockdown periods and extended periods of disruption in 2021. We updated and adapted our flexible arrangements to allow undergraduate programmes to remain accredited and ensure students' and trainees' progression would not be adversely affected. Additional guidance was also published in June 2021 by The Partnership and Accreditation team to support remote delivery formats.

In collaboration with our Undergraduate Education Committee and our Training Committees, we have honed the excellence of our training standards. This includes the oversight of the accreditation process for programmes in psychology delivered by our education partners. To support this model we requested an early revision to the QAA Benchmark Statement, which was granted.

In December 2021 the Partnership and Accreditation Committee held their initial meeting of a new EDI working group which will bring together all EDI best practice from across the Education, and Training Committees to feed into both the standards for accreditation, and also the society's strategic framework objectives.

We worked to become a home for the wider psychological workforce and we have developed a registration scheme for roles in the wider psychological workforce, with the launch of the Wider Psychological Workforce Register for PWPs and Scottish CAAPs and the Children and Young People's accreditation standards for CWP and EMHP roles in 2021. We introduced a number of new roles, including the Youth Intensive Psychological Practitioner (YIPP) role, and the Mental Health Wellbeing Practitioner (MHWP) role.

BPS qualifications continue to be seen as the 'gold-standard' and in 2021 we launched the new Qualification in Forensic Psychology (QFP). We saw a substantial increase in enrolments on the Qualification of Health Psychology, with 16 enrolments compared to five in 2020. A new Qualification in Clinical Neuropsychology (QCN) training route for counselling psychologists was developed, and we were delighted to be successful in our bid to win a contract with the Ministry of Justice to deliver the QFP for some forensic psychologists working in Her Majesty's Prison and Probation Service (HMPPS).

In July 2021 the society recruited its first ever dedicated careers manager to develop and deliver on its long term aim to become a career companion for all its members across the span of their education, training and employment. We have worked closely with large employers such as NHS England to explore how we can support them in successfully filling vacant posts, particularly in areas such as Mental Health, and with pre-university students to better prepare them for psychology careers.

Society Qualifications Enrolments 2021	
Counselling	9
Educational	34
Clinical Neuro	5
Forensic	86
Occupational	21
Health	16
Sport and Exercise	17

2021 Trustees ANNUAL REPORT (Continued)

RQTU membership grew in 2021 to 11,884. Verifications have been moved onto BPS Learn which is streamlining activity and increasing transparency. We were proud that BPS Assessments and Awards Limited was approved by Ofqual to deliver end point assessments for the Psychological Wellbeing Practitioner (PWP) apprenticeship standard and now appears on the government's Register of End Point Assessment Organisations.

Influencing public policy

In 2021 we created a dedicated BPS Public Affairs team responsible for the advocacy and influencing strategy of the society.

We have focused on promoting policy views amongst influential political and wider stakeholders, advocating for the profession by building collaborative relationships and undertaking joint pieces of work to amplify our voice and increase our visibility. This has been particularly evident in the work we have done around significant pieces of legislation – working together with the BMA and others enabling us to successfully secure amendments to the Police, Crime, Sentencing and Courts Bill on the issue of the sharing of medical information, and our position and briefing on the Online Safety Bill has been informed by our strong relationships with prominent stakeholders working in the area.

A significant number of consultations have been submitted this year on a wide range of policy issues, including to the Autumn Budget, on workforce training, retention and recruitment and on banning conversion therapy. Our responses to consultations have led to further discussions with government departments, cross-party politicians and wider stakeholders, and have led to us giving oral evidence in the Scottish Parliament.

Children and young people have formed a central part of our work this year largely due the amount of interest all Parliaments have dedicated in particular to the impact of the pandemic on education and children's mental health. Our #TimetoPlay campaign was launched in collaboration with a large and diverse range of stakeholders and continues to open the door for our engagement with a number of MPs and government officials within the Department for Education.

Improving psychology's visibility

The first half of 2021 continued to bring a demand from the media for expert comment on the mental health impact of the pandemic, when life started to return to normal, the desire for media comment on Covid-related topics lessened, and the team shifted towards a more proactive, bolder approach to working with the media, offering stronger comment on important issues, such as the cut to Universal Credit and the Time to Play campaign.

In 2021 we handled over 430 media calls, supporting journalists looking for expert comment, resulting in 3,822 mentions in articles across local, regional, national and international media. This is down slightly on the unrepresented highs of 2020 as the demand for Covid-related comment reduced.

The team published 33 news releases and 160 web news items with 45,194 views. Highlights included a letter to the health secretary from a coalition of health organisations, led by the society, calling for the uplift to Universal Credit to be made permanent. The society's consistent campaigning on this issue at periods throughout 2021 led to over 200 pieces of coverage alone, including across the BBC, in the Daily Mirror, Daily Mail, Evening Standard, the Guardian and Daily Express, and support for the campaign from the Leader of the Opposition Sir Keir Starmer.

Proactive media work in partnership with the Division of Educational Psychology about the dangers of the 'catch up narrative' saw coverage achieved in the Telegraph, the BBC and Sky News. The issue of children's wellbeing proved fruitful with the launch of the Time of Play campaign gaining traction in the Sun and across BBC radio.

2021 Trustees ANNUAL REPORT (Continued)

Report production increased by over 200 per cent to 82, which included several guidance publications for the Practice team and Member Networks, including Working with autism, Acute Adult Mental Health Care Pathway, Working with people with eating disorders, Psychological support for schools following a crisis or disaster and Family interventions in psychosis.

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 9.6 million visits last year – a 4.2 per cent increase compared with the previous 12 months. Member log-ins increased by 4.8 per cent in 2021, enabling members to take advantage of the full range of digital member benefits.

There has been an 11.6 per cent increase in visits to the graduate membership page, which reflects a key stream of work to convert student members to graduate membership. The work to improve our CPD offering to members was evident with a 21.65 per cent increase in visits to the Professional Development pages.

Our social media presence continues to grow, with our following across each of our three key platforms – Facebook, LinkedIn and Twitter – increasing considerably in 2021.

Facebook is our largest platform, with nearly 270,000 followers. Our posts reached more than 2.3 million people in 2021, a 107 per cent increase on the year previous. Meanwhile, our Twitter following grew by more than 12,000, to over 104,000.

There were 171 videos uploaded to our YouTube during 2021, with our series of ‘day in the life’ videos proving the most popular gathering over 7,000 views.

In 2021 BPS committed to invest in a new Data and Analytics function in order to build on the digital transformation programme and leverage the value of our data. A Head of Data and Analytics was recruited and on-boarded in October 2021 and in collaboration with colleagues, started to form the Data Strategy: our plan to improve the ways we acquire, store, manage, share and use data which will empower society colleagues to leverage data to drive our business strategy.

Promoting equality, diversity and inclusion

The past year has seen a range of positive changes and developments in our ongoing commitment to embed equality, diversity and inclusion across all society workstreams and building outcome measures for the wide range of work currently underway within the society. This foundation building has seen us work with the society’s Diversity Taskforce during their final year of operation on the creation of a new Equality, Diversity and Inclusion Strategic Board for 2022, and new advisory groups, including Human Rights, Decolonising the Curriculum and Experts by Experience.

During the final year of operation the Diversity Taskforce have relentlessly championed the development of equality, diversity and inclusion practice across the society from producing a diverse range of webinars for members allowing for learning, discussion and involvement through to media statements and practice guidance. The Diversity Taskforce also supported and advised on the development of the BPS Strategic Framework during 2021, ensuring equality, diversity and inclusion threaded through the Society’s agreed strategic goals.

In March 2021 BPS was proud to join the Science Council’s EDI steering group while also completing the Science Council Framework on Diversity and Inclusion for the first time in April 2021. This work informed the creation of EDI monitoring and reporting mechanisms in the new membership database system launched in October 2021.

2021 Trustees ANNUAL REPORT (Continued)

The year saw the Society publish the Nuffield Trust *The Right Track* report. Key findings of the report included those BME groups were less likely to be accepted onto a clinical psychology training courses than white groups and far less likely to progress to senior NHS roles. Results of the report were shared in a symposium on social mobility at the BPS 2021 Conference.

The History of Psychology Centre identified Hans Eysenck's publications in BPS journals, Member Network periodicals and *The Bulletin* and have begun scoping work on potential projects to address the history and legacy of eugenics.

Continuing our change journey

Following approval from the Board of Trustees in June 2019, our three-year Change Programme has progressed well throughout 2021.

In October we replaced our membership database of 20 years with a new, interactive customer relationship management system. This provides us with a single point of truth for our member information and how members interact with the society. As the society has not implemented systems for a number of years, inevitably we have encountered some teething problems with the new system but in the first six months since launch we have processed 35k online payments for 20k members and in the last few months of 2021 we completed 2,300 membership applications submitted via the new system.

Our review of member grades has resulted in a more inclusive approach which recognises the needs of existing and new members.

The review of our networks yielded a proposal for refreshed structures, responsibilities and ways of working. At the close of 2021 eight of our eleven workstreams in the Change Programme were largely complete.

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 2021 increased to £11.6m from £10.8m in 2020. This is in contrast to a reduction experienced in 2020 which was strongly impacted by Covid-19's first restrictions and its effect on key services such as conferencing and training. In 2021 BPS was still strongly influenced by Covid-19 but had sufficiently adapted to alternative ways of working and delivering services.

Subscription income rose by 4.8% to £6.5m due to an increase in members and the first increase in fees to several years. Covid-19 again had an impact on subscriptions as again an increased number of members requested the hardship rate. Income from the journals partnership reduced by 8% in 2021 following a reduction in 2020. Other income recovered compared to the 2020 year which included advertising and rental income.

Expenditure

With the strong influence Covid-19 had on income, controlling costs became an ever-important strategy and 2021's net income deficit was reduced through a combination of reduced activity continued from 2020 and a concerted control of costs.

Principal sources of funding

Fifty five per cent of the Society's income derives from membership subscriptions (2020: 57%), with a further 24 per cent from journal publications, qualifications, accreditation and conferences and training (2020: 26%). Income from trading operations rose to 5% of total income from 3% in 2020.

2021 Trustees Annual Report (Continued)

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 are invested in accumulation units of the COIF Charities Investment Fund managed by CCLA, retaining a small deposit fund for liquidity.

The portfolio performed well after and even recovered from falls in August and September 2021, At the year-end £2.4m was added to the value of the portfolio. BPS was able to withdraw £3.5m to pay for its change programme. The performance had 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.

Trading company commences trading

BPS Assessments and Awards Limited was incorporated on 13 June 2020. The company commenced operations in 2021, providing end-point assessments for psychology apprenticeship standards in England. The first year had a turnover of £41k with a small profit of £1k to be gift aided to the Society.

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 2021, the free reserves were £15.6m after designating funds for the Member Network Review. This equates to 16 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 2021 were £58,231 (2020: £58,231). There has been a period of inactivity, and therefore future spending plans are being updated.

Designated funds

A fund of £6m was set aside during 2019 to meet the costs of the Change Programme. 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 2021 is £958,000, (2020: £2,776,000).

2021 Trustees ANNUAL REPORT (Continued)

We have continued to build stronger relationships with our membership to ensure we are representing their priorities, championing their work and working for the benefit of psychology as a whole. The turbulence of 2021, both that in the external world and that faced by the BPS internally has no doubt been challenging, yet the BPS has continued to strive to deliver on its strategy and support members in the excellent work that they do.

It is clear the impact of the pandemic on society and its mental health will be long lasting, and the challenges facing us all across society are at a level unseen before by many. The BPS continued to advocate for psychology and psychologists at every level, and to move to position itself as a respected membership organisation prepared to speak out on key societal issues and standing firm behind its values of determining and ensuring the highest standards in all we do, promoting and advancing the discipline and embracing equality, diversity and inclusion. We progressed with our ambitious change programme detailed in the 2020 report, with a new membership system, communications system, and finance system all to streamline our processes and deliver a more effective service for our members.

Risk assessment

The trustees take their responsibilities with regards to risk assessment very seriously. There is a regular review of the principal risks and uncertainties facing the charity and its subsidiary undertakings and the plans and strategies for mitigating the risks identified. Risks are categorised into governance, operational, financial, environmental (external factors), Compliance (law and regulation) and diversity & inclusion risks.

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.

Last year we reported that we had uncovered the fraudulent use of two society credit cards by a former BPS employee. Following a police investigation, the former member of staff was convicted of two charges of defrauding the society and received a significant custodial sentence. On uncovering the fraud, the society immediately strengthened its financial processes and procedures to prevent repetition. As previously reported, the society was reimbursed for the majority of the losses through our insurance provision.

To mitigate its governance risk, the Society has reviewed and updated its charter and statutes, independently reviewed its governance and implemented the appropriate recommendations. It has also redesigned its lower level processes incorporating speed and efficiency. There is in place Trustee indemnity insurance.

The Society in 2021 was still strongly affected by Covid-19 and the operational risk of workforce planning/ ways of working included Covid-19. Therefore the society mitigated this by introducing flexibility and choice into working arrangement and policies. It reviewed the current estate and staff office attendance. It created regular communication and touch points with staff. To mitigate a possible loss of revenue the society explored alternative revenue streams and introduced continual horizon scanning and scenario planning to assist in planning.

The external factor of war in Ukraine in 2022, though not directly affecting 'income from charitable activities' has affected fuel costs which contributed to the increase in inflation and increased the bank base rate. There is pressure therefore to control rising costs, to regularly review investments (with CCLA) during a period of changing investment markets and review the secured loan as the bank base rate increases.

2021 Trustees ANNUAL REPORT (Continued)

To mitigate the financial risks of budgetary control and reporting the Society implemented regular, rigorous budgeting, monitoring and reporting. It put into place procedures to review and action budget/cash flow variances and monitor and control costs together with regular review of reserves and investments. To reduce the deficit the Society identified savings and new revenue streams.

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.



Ms K Carpenter
President

Date: 6th July 2022

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 2021 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 31st December 2021 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 12, 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. 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.



David Hoose

(Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham

B3 3AX

Date 11 JULY 2022

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 2021

		2021	2021	2021	2021	2020
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
Income:						
Income from charitable activities:						
Subscriptions		6,507	-	-	6,507	6,182
Registers and directories		637	-	-	637	521
Conferences and events		263	-	-	263	300
Journals and book publishing	4	1,854	-	-	1,854	2,016
Other income	5	1,795	-	-	1,795	1,456
Income from Trading operations	7	557	-	-	557	322
Investment income	6	15	-	-	15	42
Total Income		<u>11,628</u>	<u>-</u>	<u>-</u>	<u>11,628</u>	<u>10,839</u>
Expenditure:						
Expenditure on raising funds:						
Trading costs	7	352	-	-	352	308
Investment management fees		-	-	-	-	16
Expenditure on charitable activities:						
Advancement of psychology		2,312	-	-	2,312	2,161
Application of psychology		624	-	-	624	827
Conferences and events		489	-	-	489	405
Co-operation with organisations		329	-	-	329	289
Diffusion of knowledge		3,227	-	-	3,227	2,727
Examinations and training		1,415	-	-	1,415	1,448
Membership		2,932	-	-	2,932	2,577
Science and policy		1,163	-	-	1,163	1,022
Other expenditure: Change programme		<u>1,818</u>	<u>-</u>	<u>-</u>	<u>1,818</u>	<u>2,229</u>
Total expenditure	8	<u>14,661</u>	<u>-</u>	<u>-</u>	<u>14,661</u>	<u>14,009</u>
Net gains on investments	14	2,421	-	-	2,421	1,388
Net (loss)		<u>(612)</u>	<u>-</u>	<u>-</u>	<u>(612)</u>	<u>(1,782)</u>
Transfer between funds	17	1,818	(1,818)	-	-	-
Net movement in funds		<u>1,206</u>	<u>(1,818)</u>	<u>-</u>	<u>(612)</u>	<u>(1,782)</u>
Reconciliation of funds						
Total funds brought forward		<u>18,448</u>	<u>2,776</u>	<u>58</u>	<u>21,282</u>	<u>23,604</u>
Total funds carried forward		<u>19,654</u>	<u>958</u>	<u>58</u>	<u>20,670</u>	<u>21,282</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 2021 was unrestricted.

THE SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

		2021	2021	2021	2021	2020
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
Income:						
Income from charitable activities:						
Subscriptions		6,507	-	-	6,507	6,182
Registers and directories		637	-	-	637	521
Conferences and events		263	-	-	263	300
Journals and book publishing	4	1,854	-	-	1,854	2,016
Other income	5	1,795	-	-	1,795	1,456
Income from Trading operations	7	204	-	-	204	14
Investment income	6	15	-	-	15	42
Total Income		<u>11,275</u>	<u>-</u>	<u>-</u>	<u>11,275</u>	<u>10,531</u>
Expenditure:						
Expenditure on raising funds:						
Investment management fees		-	-	-	-	16
Expenditure on charitable activities:						
Advancement of psychology		2,312	-	-	2,312	2,161
Application of psychology		624	-	-	624	827
Conferences and events		489	-	-	489	405
Co-operation with organisations		329	-	-	329	289
Diffusion of knowledge		3,227	-	-	3,227	2,727
Examinations and training		1,415	-	-	1,415	1,448
Membership		2,932	-	-	2,932	2,577
Science and policy		1,163	-	-	1,163	1,022
Other Expenditure: Change programme		<u>1,818</u>	<u>-</u>	<u>-</u>	<u>1,818</u>	<u>2,229</u>
Total expenditure	8	<u>14,309</u>	<u>-</u>	<u>-</u>	<u>14,309</u>	<u>13,701</u>
Net gains on investments	14	2,421	-	-	2,421	1,388
Net (loss)		<u>(613)</u>	<u>-</u>	<u>-</u>	<u>(613)</u>	<u>(1,782)</u>
Transfer between funds	17	1,818	(1,818)	-	-	-
Net movement in funds		<u>1,205</u>	<u>(1,818)</u>	<u>-</u>	<u>(613)</u>	<u>(1,782)</u>
Reconciliation of funds						
Total funds brought forward		<u>18,448</u>	<u>2,776</u>	<u>58</u>	<u>21,282</u>	<u>23,064</u>
Total funds carried forward		<u>19,653</u>	<u>958</u>	<u>58</u>	<u>20,669</u>	<u>21,282</u>

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

All income and expenditure derived from continuing activities. All income and expenditure for the year ended 31 December 2021 was unrestricted.

CONSOLIDATED BALANCE SHEET at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	13	7,555	7,852
Investments	14	15,026	16,105
Total fixed assets		<u>22,581</u>	<u>23,957</u>
Current assets			
Debtors	15	1,899	1,476
Cash at bank and in hand		1,661	1,683
		<u>3,560</u>	<u>3,159</u>
Liabilities			
Creditors: amounts falling due within one year	16	(3,784)	(3,744)
Net current liabilities		<u>(224)</u>	<u>(585)</u>
Creditors: amounts falling due in more than one year	16	(1,687)	(2,090)
Net assets		<u>20,670</u>	<u>21,282</u>
The funds of the group:			
Restricted income funds	17	58	58
Unrestricted funds:	17		
General funds		15,610	14,389
Designated funds		958	2,776
Revaluation reserve		4,044	4,059
Total unrestricted funds	17	<u>20,612</u>	<u>21,224</u>
Total funds		<u>20,670</u>	<u>21,282</u>

The financial statements on pages 17 to 45 were approved by the Board of Trustees and authorised for issue on 6th July 2022 and signed on its behalf by:

Katherine N Carpenter

Ms K Carpenter
President

SOCIETY BALANCE SHEET at 31 December 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	13	7,555	7,852
Investments	14	15,026	16,105
Total fixed assets		<u>22,581</u>	<u>23,957</u>
Current assets			
Debtors	15	2,428	1,716
Cash at bank and in hand		1,512	1,663
		<u>3,940</u>	<u>3,379</u>
Liabilities			
Creditors: amounts falling due within one year	16	(4,165)	(3,964)
Net current liabilities		<u>(225)</u>	<u>(585)</u>
Creditors: amounts falling due in more than one year		(1,687)	(2,090)
Net assets		<u>20,669</u>	<u>21,282</u>
The funds of the Society:			
Restricted income funds	17	58	58
Unrestricted funds:	17		
General funds		15,609	14,389
Designated funds		958	2,776
Revaluation reserve		4,044	4,059
Total unrestricted funds	17	<u>20,611</u>	<u>21,224</u>
Total funds		<u>20,669</u>	<u>21,282</u>

The financial statements on pages 17 to 45 were approved by the Board of Trustees and authorised for issue on 6th July 2022 and signed on its behalf by:

Katherine N Carpenter

Ms K Carpenter
President

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2021

	Note	Group 2021 £'000	Group 2020 £'000	Society 2021 £'000	Society 2020 £'000
Net Cash provided by operating activities	21	(3,447)	(1,718)	(3,576)	(1,689)
Cash flow from investing activities:					
Dividend and interest from investments		15	42	15	42
Purchase of tangible fixed assets		(23)	(55)	(23)	(55)
Disposal of tangible fixed assets		6	-	6	-
Purchase of investments		-	(15,154)	-	(15,154)
Proceeds from sales of investments		3,500	15,636	3,500	15,636
Net Cash Provided by investing activities		3,498	469	3,498	469
Net cash from/(used) in Financial activities					
Repayments of borrowing		(73)	-	(73)	-
Cash inflows from new borrowing		-	2,200	-	2,200
Net cash provided by (used in) financing activities		(73)	2,200	(73)	2,200
Change in cash and cash equivalents in the year		(22)	951	(151)	980
Cash and cash equivalents at the beginning of the year		1,683	732	1663	683
Cash and cash equivalents at the end of the year		1,661	1,683	1,512	1,663

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

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.

In 2021, a portion of one of the group's properties was held to generate rental income and another portion used for the supply of services and administrative purposes. These portions cannot be sold separately and management consider the portion of the property which generated 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 2021 was £5,621,963 (2020: £5,657,061).

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 2021 was £86,659 (2020: £103,143).

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 2021

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 undertakings 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 2021

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 2021

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 2021

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 2021

4. JOURNALS AND BOOK PUBLISHING

	2021 £'000	2020 £'000
Income from journal subscriptions and sales	1,837	1,992
Income from book and publications sales	17	24
	<hr/> 1,854	<hr/> 2,016
	<hr/> <hr/>	<hr/> <hr/>

5. OTHER INCOME

	2021 £'000	2020 £'000
Advertising revenue	162	139
Examination income	769	415
Quality assurance	687	629
Rental income	33	90
Professional Development Centre	126	135
Sundry income	18	48
	<hr/> 1,795	<hr/> 1,456
	<hr/> <hr/>	<hr/> <hr/>

6. INVESTMENT INCOME

	2021 £'000	2020 £'000
Income from listed investments	-	24
Bank and money market interest	15	18
	<hr/> 15	<hr/> 42
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

7. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

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 commenced operations in August 2021. The principal activity of the Company is operating an end-point assessment organisation

Trading results of BPS Communications Limited for the twelve months to 31 December 2021 are shown below.

	2021	2020
	£'000	£'000
Turnover	515	322
Cost of sales	<u>(93)</u>	<u>(116)</u>
Gross profit	422	206
Distribution costs	(196)	(153)
Administrative costs	(49)	(55)
Gift Aid	<u>(175)</u>	<u>-</u>
Profit/(Loss) before taxation	2	(2)
Profit/(Loss) for year	<u>2</u>	<u>(2)</u>

The assets and liabilities of the subsidiary are:

	2021	2020
	£'000	£'000
Current assets:		
Debtors	544	396
Cash at bank	<u>132</u>	<u>20</u>
	676	416
Creditors: amount falling within one year	<u>(676)</u>	<u>(418)</u>
	-	(2)

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

During the year the Society charged BPS Communications Limited service charges amounting to £14,415 (2020: £14,415) in respect of services provided by the Society. Trading costs, excluding these costs, amount to £324,000 (2020: £310,000). At the year-end, the Society was owed £440,000 (2020: £355,000) by BPS Communications Limited and owed BPS Communications Limited £411,551 (2020: £281,000).

All profits generated by BPS Communications Limited for 2021 are to be distributed to the British Psychological Society under Gift Aid.

BPS Assessments and Awards Limited, incorporated in June 2020, commenced operations in August 2021. The principal activity of the Company is operating an end-point assessment organisation. Trading results of BPA Assessments & Awards for the 12 months to 31 December 2021 are shown below

	2021	2020
	£'000	£'000
Turnover	41	-
Cost of sales	(7)	-
	<hr/>	<hr/>
Gross profit	34	-
Administrative costs	(33)	-
	<hr/>	<hr/>
Profit/(Loss) before taxation	1	-
	<hr/>	<hr/>
Profit/(Loss) for year	1	-
	<hr/>	<hr/>

The assets and liabilities of the subsidiary are:

	2021	2020
	£'000	£'000
Current assets:		
Debtors	35	-
Cash at bank	17	-
	<hr/>	<hr/>
	52	-
Creditors: amount falling within one year	(51)	-
	<hr/>	<hr/>
	1	-
	<hr/>	<hr/>

During the year the Society charged BPS Assessment and Awards Limited service charges amounting to £14,000 (2020: nil) in respect of services provided by the Society. Trading costs, excluding these costs, amount to £26,000 (2020: nil). At the year end, the Society was owed £44,000 (2020: £nil) by BPS Assessment & Awards Limited and owed BPS Assessment & Awards Limited £17,000 (2020: £nil).

All profits generated by BPS Assessment & Awards Limited for 2021 will be paid by the company to the Society.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

8. TOTAL EXPENDITURE

Group	2021 £'000	2020 £'000
Expenditure on charitable activities:		
Advancement of psychology		
Journal costs	790	806
Direct salaries	1,023	919
Other direct costs	198	155
Support costs	301	281
	<u>2,312</u>	<u>2,161</u>
Application of psychology		
Section expenditure	501	704
Direct salaries	76	76
Other direct costs	27	27
Support costs	20	20
	<u>624</u>	<u>827</u>
Conferences and events		
Society conferences	239	183
Direct salaries	168	151
Other direct costs	33	25
Support costs	49	46
	<u>489</u>	<u>405</u>
Co-operation with other organisations		
Direct salaries	218	197
Other direct costs	47	33
Support costs	64	59
	<u>329</u>	<u>289</u>
Diffusion of knowledge		
Publishing costs	755	539
Direct salaries	1,668	1,491
Other direct costs	311	237
Support costs	493	460
	<u>3,227</u>	<u>2,727</u>
Examinations and training		
Examinations costs	167	338
Direct salaries	839	753
Other direct costs	162	127
Support costs	247	230
	<u>1,415</u>	<u>1,448</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

8. TOTAL EXPENDITURE (continued)

Group	2021 £'000	2020 £'000
Expenditure on charitable activities:		
Membership		
Direct salaries	1,946	1,749
Other direct costs	414	294
Support costs	572	534
	<u>2,932</u>	<u>2,577</u>
Science and policy		
Direct salaries	772	693
Other direct costs	164	117
Support costs	227	212
	<u>1,163</u>	<u>1,022</u>
Trading costs	352	308
Investment management fees	-	16
Pension provision	-	-
Change programme costs	1,818	2,229
	<u>2,170</u>	<u>2,553</u>
Total expenditure	<u>14,661</u>	<u>14,009</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

9. SUPPORT COST ALLOCATION

	Property costs £'000	IT costs £'000	HR & Finance £'000	Directorate costs £'000	2021 £'000	2020 £'000
Charitable expenditure:						
Advancement of psychology	35	53	124	89	301	281
Application of psychology	2	4	8	6	20	20
Conferences and events	6	9	20	14	49	46
Co-operation	8	11	26	19	64	58
Diffusion of knowledge	59	86	203	145	493	460
Examinations and training	29	43	102	73	247	231
Membership	67	101	237	167	572	534
Science and policy	27	40	93	67	227	212
Total expenditure	233	347	813	580	1,973	1,842

The Group has identified the costs of the support function and costs which relate to the governance function which amount to £676,553 (2020: £549,334). 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 2021

10. NET INCOME FOR THE YEAR

Group and Society

Net income is stated after charging:

	2021	2020
	£'000	£'000
Depreciation	323	304
Auditors' remuneration - audit services	35	28
- other services	<u>3</u>	<u>2</u>

11. STAFF NUMBERS AND EMOLUMENTS

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

	2021	2021	2020	2020
	Full	Part	Full	Part
	time	time	time	time
Leicester office	113	20	107	20
London office	11	1	8	1
Regional centres	0	2	1	0
	<u>124</u>	<u>23</u>	<u>116</u>	<u>21</u>

Average FTE was 140 (2020: 131).

Remuneration of employees was as follows:

	2021	2020
	Total	Total
	£'000	£'000
Gross wages and salaries	5,777	5,281
Employer's National Insurance	612	550
Defined contribution pension costs	531	469
	<u>6,920</u>	<u>6,300</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

11. STAFF NUMBERS AND EMOLUMENTS (continued)

During the year statutory redundancy and termination payments to 2 employees amounted to £16,656(2020: £86,368).

Remuneration of employees was as follows:	2021	2020
	£'000	£'000
Payment in Lieu of notice	12	32
Settlement agreement	5	54
Total	17	86

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 (2020: £371,000), of which £61,707 (2020: £54,240) were due at the year-end.

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

	2021	2020
	Number	Number
	8	4
£60,000 - £69,999	-	-
£70,000 - £79,999	1	2
£80,000 - £89,999	1	2
£90,000 - £99,999	-	-
£100,000 -£109,999	1	1
£110,000 - £119,999	1	1
£120,000 - £129,999	1	
£130,000 - £139,999	1	0

During the year the group paid pension contributions in respect of the above higher paid individuals amounting to £108,155 (2020: £85,746).

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

12. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

Trustees may from time to time be paid for carrying out services as an expert. In 2021 Trustee Dr Nicky Hayes carried out work as Senior Editor, Assessment & Development matters for the Psychological Testing Centre receiving £4,425 in the year. Practical Psychology Consultancy Ltd received £2,150 for the services of Dr Roxane Gervais acting as Chair and Subject Matter Expert for the development of a CPD inclusive leadership development training course and test reviews. In 2021 travelling expenses were repaid to 10 Trustees (2020: 7) totalling £2,103 (2020: £2,219).

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 £724,067 (2020: £869,572).

The Society has taken out Trustees' indemnity insurance providing cover of five million pounds. The cost of this insurance for the year was £9,500 (2020: £4,004). 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".

	2021	2020
	£	£
President	£nil	£nil
Honorary General Secretary	£nil	£nil

13. TANGIBLE FIXED ASSETS**Group and Society**

	Freehold land & buildings £'000	Computer & Print £'000	Office equipment £'000	Total £'000
Cost				
At 1 January 2021	9,260	362	383	10,005
Additions	-	17	9	26
At 31 December 2021	9,260	379	392	10,031
Depreciation				
At 1 January 2021	1,700	264	189	2,153
Charge for the year	227	58	38	323
Disposals	-	-	-	-
At 31 December 2021	1,927	322	227	2,476
Net book value				
At 31 December 2021	7,333	57	165	7,555
At 31 December 2020	7,560	98	194	7,852

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

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 £7,333,000 (2020: £7,560,000) is £3,855,000 (2020: £3,855,000) relating to non-depreciated freehold land.

14. FIXED ASSET INVESTMENTS	2021	2020
Group and Society	£'000	£'000
Market value at 1 January 2021	16,105	15,200
Additions	-	15,154
Disposal proceeds	(3,500)	(15,636)
Net investment (loss)/gain unrealised	2,166	1,451
Net investment gain/(loss) realised	255	(64)
Market value at 31 December 2021	<u>15,026</u>	<u>16,105</u>
Cash awaiting investment	<u>-</u>	<u>-</u>
Total at 31 December 2021	<u>15,026</u>	<u>16,105</u>

At 31 December 2021, the investment portfolio consisted of 3,029,585 units invested in accumulation units of the COIF Charities Investment Fund managed by CCLA with a bid market valuation of £15,026,000. 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 2021:

• Overseas Equities	66.81%
• UK Equities	9.54%
• Infrastructure & Operating Assets	6.01%
• Cash & Near Cash	8.49%
• Property	4.63%
• Contractual, Private Equity & Other	4.52%

Investment assets in 2021 comprised of £11,472,000 (76.35%) in UK and overseas equities, £1,276,000 (8.49%) Cash or near cash and £2,278,000 (15.16%) in other investments

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

15. DEBTORS

	2021 Group	2020 Group	2021 Society	2020 Society
	£'000	£'000	£'000	£'000
Trade debtors	416	303	265	188
Prepayments and accrued income	1404	1,041	1,404	1,041
Amounts due from subsidiary companies	-	-	680	355
VAT recoverable	79	131	79	131
	<u>1,899</u>	<u>1,475</u>	<u>2,428</u>	<u>1,715</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 Group	2020 Group	2021 Society	2020 Society
	£'000	£'000	£'000	£'000
Trade creditors	47	415	36	354
Subscriptions received in advance	1,107	1,114	1107	1,114
Other deferred income	843	913	843	913
Other creditors	244	395	244	395
Accruals	880	642	880	642
Amounts due to subsidiary companies	-	-	429	281
Other taxation and social security	223	155	186	155
Bank Loan	440	110	440	110
	<u>3,784</u>	<u>3,744</u>	<u>4,165</u>	<u>3,964</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

16. Creditors (continued)

Group and Society Deferred Income	Group £'000	Society £'000
Balance as at 1 January 2021	2,027	2,027
Amounts released from previous year	(2,027)	(2,027)
Income deferred in the year	1,950	1,950
Balance as at 31 December 2021	1,950	1,950

Other deferred income comprises Exams fees £190,745 (2020: £481,229), Annual Conference £nil (2020: £331), Accreditation fees £422,978 (2020: £432,203), Journals £98,117 (2020;£nil)and Registers £131,409 (2020; £nil).

CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2021 Group	2020 Group	2021 Society	2020 Society
	£'000	£'000	£'000	£'000
CBILS Bank Loan	1,687	2,090	1,687	2,090
	<u>1,687</u>	<u>2,090</u>	<u>1,687</u>	<u>2,090</u>
	<u><u>1,687</u></u>	<u><u>2,090</u></u>	<u><u>1,687</u></u>	<u><u>2,090</u></u>

A Coronavirus Business Interruption Loan (CBILS) of £2,200,000 was drawn down on 2nd October 2020, this had a 12 month Capital and Interest free period and is then due to be repaid over 60 instalments. The Loan was secured in 2022 at a rate of base rate plus 1.69% per annum.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

17. ANALYSIS OF CHARITABLE FUNDS

Group

Analysis of movements in unrestricted funds

	Funds brought forward at 1 Jan 2021	Income	Expenditure	Gains Losses	transfers	Funds carried forward at 31 Dec 2021
	£'000	£'000	£'000		£'000	£'000
General	14,389	11,628	(14,661)	2,421	1,833	15,610
Designated fund	2,776	-		-	(1818)	958
Revaluation reserve	4,059	-	-	-	(15)	4,044
	21,224	11,628	(14,661)	2,421	-	20,612

Society

Analysis of movements in unrestricted funds

	Funds brought forward at 1 Jan 2021	Income	Expenditure	Gains Losses	transfers	Funds carried forward at 31 Dec 2021
	£'000	£'000	£'000		£'000	£'000
General	14,389	11,275	(14,309)	2,421	1,833	15,609
Designated fund	2,776	-	-	-	(1,818)	958
Revaluation reserve	4,059	-	-	-	(15)	4,044
	21,224	11,275	(14,309)	2,421	-	20,611

The Designated fund of £6m was set aside for the change programme. £958k has yet to be spent (in 2022). It was to replace the key IT systems and spend on initiatives to add member value.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

17. ANALYSIS OF CHARITABLE FUNDS (continued)

Group

	Funds brought forward at 1 Jan 2020 Restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Funds carried forward at 31 Dec 2020 £'000
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	23,006	10,839	(14,009)	1,388	21,224
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Society

	Funds brought forward at 1 Jan 2020 Restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Funds carried forward at 31 Dec 2020 £'000
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	23,006	10,531	(13,701)	1,388	21,224
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 £1,818,000 on the Change Programme was charged to the designated 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 2021

17. ANALYSIS OF CHARITABLE FUNDS (continued)

Group and Society

Analysis of movements in restricted funds

	Funds brought forward at 1 Jan 2021 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Funds carried forward at 31 Dec 2021 £'000
William Inman	7	-	-	-	7
Visual archive	10	-	-	-	10
BJEP fund	41	-	-	-	41
	<u>58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>

	Funds brought forward at 1 Jan 2020 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Funds carried forward at 31 Dec 2020 £'000
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 2021

18. FINANCIAL INSTRUMENTS

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

	2021 Group £'000	2020 Group £'000	2021 Society £'000	2020 Society £'000
Financial assets				
Debt instruments measured at amortised cost	2,156	884	2,536	1,239
Instruments measured at fair value through profit or loss	15,026	16,105	15,026	16,105
Total net assets	<u>17,182</u>	<u>16,989</u>	<u>17,562</u>	<u>17,344</u>
Financial liabilities				
Debt instruments measured at amortised cost	514	1,391	893	1,672
Instruments measured at fair value through profit and loss	2,127	2,200	2,127	2,220
	<u>2,641</u>	<u>3,591</u>	<u>3,020</u>	<u>3,872</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

Fund balances at 31 December 2021 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,555	-	7,555
Investments	15,026	-	15,026
Current assets	3,502	58	3,560
Current liabilities	(3,784)	-	(3,784)
Long term liabilities	(1,687)	-	(1,687)
Total net assets	<u>20,612</u>	<u>58</u>	<u>20,670</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Society

Fund balances at 31 December 2021 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,555	-	7,555
Investments	15,026	-	15,026
Current assets	3,882	58	3,940
Current liabilities	(4,165)	-	(4,165)
Long term liabilities	(1,687)	-	(1,687)
Total net assets	20,611	58	20,669

Group

Fund balances at 31 December 2020 were 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)
Total net assets	21,224	58	21,282

Society

Fund balances at 31 December 2020 were 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)
Total net assets	21,224	58	21,282

20. CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

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

	Group 2021 £'000	Group 2020 £'000	Society 2021 £'000	Society 2020 £'000
Net (outgoing)/incoming resources	(612)	(1,782)	(613)	(1,782)
Adjustments for:				
Depreciation charges	323	304	323	304
Loss/(Gains) on investments	(2,421)	(1,388)	(2,421)	(1,388)
Investment income in investing activities	(15)	(42)	(15)	(42)
(Increase)/Decrease in debtors	(423)	911	(712)	980
(Decrease)/Increase in creditors	(299)	299	(138)	239
Net cash provided by operating activities	(3,447)	(1,718)	(3,576)	(1,689)

22. RECONCILIATION OF NET DEBT

	January 2021 £'000	Cash Flows £'000	Non-Cash Changes £'000	December 2021 £'000
Cash and cash equivalents				
Cash	1,683	(22)	-	1,661
	<u>1,683</u>	<u>(22)</u>	<u>-</u>	<u>1,661</u>
Borrowings				
Debt due within one year	110	330	-	440
Debt due after one year	2,090	(403)	-	1,687
	<u>2,200</u>	<u>(73)</u>	<u>-</u>	<u>2,127</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

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.

	2021 £'000	2020 £'000
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:

	2021 £'000	2020 £'000
Amounts receivable:		
Less one year	-	22
Between one and five years	-	-
	<u> </u>	<u> </u>

In prior years the Group and Society had leased out part of the freehold land and buildings used by them to a third party. The lease has now ended not being renewed in 2021 .

Legal and Administrative Information

Trustees	President	Ms K Carpenter (from 26.07.2021) Dr H McLaughlin (from 30.06.2020 to 12.04.2021)
	President Elect	Dr N Hayes (from 26.07.2021) Dr N MacLennan (to 04.05.2021)
	Vice President	Mr D Murphy (to 10.02.2021) Vacant
	Honorary General Secretary	Ms C Buxton (from 26.07.2021) Dr C A Allan (to 26.07.2021)
	Honorary Treasurer	Dr R Gervais
	Trustee	Ms A Clarke
	Trustee	Mr C D Lynch (to 29.01.2021)
	Trustee	Professor C McGuinness
	Trustee	Professor D B O'Connor (to 26.07.2021)
	Trustee	Dr P Branney (from 26.07.2021)
	Trustee	Dr A Jowett
	Trustee	Ms C Buxton (to 26.07.2021)
	Trustee	Professor A Tolmie (from 26.07.2021)
	Trustee	Dr E Cohen-Tovee
	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 P Hodgett (from 16.09.2021)
Director of Membership and Professional Development	Ms K Beamish
Director of Knowledge and Insight	Ms D Malpass
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 auditor

David Hoose
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



the british
psychological society
promoting excellence in psychology

St Andrews House
48 Princess Road East
Leicester LE1 7DR, UK

 www.bps.org.uk  0116 254 9568  info@bps.org.uk

Incorporated by Royal Charter Registered Charity No 229642

11.07.2022