



the british
psychological society
promoting excellence in psychology

For the year ended
31 December 2022

TRUSTEES' ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS



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2022 Trustees' Annual Report

The trustees are pleased to present their Annual Report and the Group Financial Statements of The British Psychological Society ('the Society') for the year ended 31 December 2022. 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.

Royal Charter and Statutes

The Society is governed by a Royal Charter, originally granted in February 1965, which defines the Society's objectives 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 July 2022, the Privy Council approved revisions to the Society's Royal Charter and the adoption of revised Statutes. At the same time, revised Rules of the Society came into effect.

Under the revised Statutes, a number of changes were made to make membership grades more inclusive by opening the Society membership to the wider psychological workforce.

The revised Statutes also modernised the Society's governance structure: The role of chair of the Board of Trustees was separated from the role of President, the term of the President and the President-Elect were increased from one to two years, the roles of the vice president and honorary general secretary were removed, the Chair of Senate was welcomed on to the board and two other trustee roles are now elected rather than co-opted.

Arguably the most significant change is that the chair and three appointed trustees can, at the discretion of the board, be non-members of the society. This allows the strengthening of specialist skills, knowledge and experience to support board decisions. David Crundwell joined the trustees as Chair in December 2022 and Matthew Howell, Jon Harding and Kevin Quinn joined the Board as Appointed Trustees in early 2023. David, Matthew, Jon and Kevin are not members of the Society, but bring extensive experience in finance, commercial growth, risk management, HR, culture change and organisational development to the board.

Legal and administrative arrangements, including details of the trustees, Chief Executive and Senior Management Team, can be found on pages 48 and 49 or on the [Society's website](#)

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

2022 Trustees' Annual Report (Continued)

Governance and internal control

The Society now has five Strategy Boards: Education and Training Board; Equality, Diversity and Inclusion Board; Member Board; Practice Board; and Research Board. The Board of Trustees delegates certain functions to four subcommittees: Finance and Investments; Governance, Board Effectiveness and Nominations; People, Culture and Remuneration; and Risk and Assurance.

Throughout 2022 the Board of Trustees made several changes to their working practices to strengthen their internal governance arrangements and support more focused and effective trustee meetings. They established an additional subcommittee to cover Governance, Board Effectiveness and Nominations and extended the scheme of delegation to allow certain decisions to be made at subcommittee meetings rather than at the Board of Trustees. This, along with more rigorous agenda planning and shorter, more focused papers has resulted in more effective meetings and more manageable time commitment for our trustee volunteers.

As permitted under the Royal Charter and Statutes and approved by Trustees in accordance with the relevant Society policy, the President is permitted to claim an amount of compensation for loss of earnings in respect of time spent on the conduct of the business of the Society.

Details of Trustee expenses are disclosed in note 12 to the accounts.

Public benefit

In line with the Charity Commission's general guidance on public benefit, the trustees have reviewed the aims and activities of the society and can confirm:

- 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 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.

2022 Trustees' Annual Report (continued)

Strategic report

The year of 2022 saw life return to 'normal' for the majority of people, but despite the lessening of the impact of Covid, some uncertainty and turmoil remained. The war in Ukraine and the cost of living crisis have become the backdrop to everyday lives, as members and employees navigate a whole new set of challenges together. Our employees shifted to a hybrid working approach, with a combination of at-home and office to ensure the BPS continues to move towards being the modern and agile organisation it needs to be to best serve its members.

Moving psychological science forward

We continued to set the standard for psychological research and practice, enabling us to support our members in the work they do, and highlight the role psychology has to play across the whole of society.

Our work on the National Assessors Scheme, to recruit experienced members for assistance on consultant recruitments, led to almost 300 requests from 145 different Trusts and Health Boards, and assessors were successfully found for 87% of these requests.

We are proud of the impact and reach of psychological research, with the Research Excellence Framework assessing 80% of research in psychology as either 'world-leading' or 'internationally excellent'. Follow up reports from surveys exploring the impact of Covid-19 on university staff and students enabled us to lobby funders of psychology research and highlight the ongoing challenges which university staff and students face.

Published articles across our journal portfolio increased by 9.5%, with 60% of those papers Open Access, up from 39% in 2021, demonstrating our commitment to open research. There were 3.3m downloads of our journals, 18% of which came from the USA and 27% from the 'rest of the world'. Impact factors rose in 2022 for six of the journals.

In 2022 the Society launched a new publishing partnership with Routledge for its books programme, establishing six new book series that are international in scope, diverse in their authorship and perspective, and appealing to a range of audiences.

Report and periodical production continued at pace during 2022, with 76 reports published including the guidance documents: *Mindfulness-based approaches: A guide for psychologists* and *Guidance on the use of Psychologists as Expert Witnesses in the Family Courts in England and Wales*. Over 70 periodical issues were published, with 19 periodical titles also delivered as full text through EBSCO's Psychology & Behavioural Sciences collection, reaching an external psychological audience.

Over 1,000 copies of our *Alternative Handbook: Postgraduate training courses in Clinical Psychology*, produced in partnership with the Division of Clinical Psychology, were downloaded as it continued to prove one of our most popular and valuable publications, providing real insight and value for those applying for a clinical psychology doctorate place.

2022 Trustees' Annual Report (continued)

Supporting our members

At the heart of the BPS are our members and throughout 2022 we continued to focus on improving the member experience, providing value for money, creating a strong sense of community and making the BPS an organisation members are proud to be a part of. We worked to better understand why our members join the BPS, and what they want from their member body, enabling us to better design products and services to suit their needs.

Following the implementation of an online application process for member networks, we saw a 10% growth in member network memberships, from 48,107 to 52,900, as members found the group and community to support their career and personal development within psychology.

As part of this work we supported the creation of the new Division of Coaching Psychology, having previously been a special group.

We continued to make improvements to the member journey and experience, from application through to becoming a BPS member. We implemented a welcome series for new members to ensure BPS benefits are clear to members, ensuring they feel part of the wider psychological family when they come on board. Our programme of direct communication to members included more than five million emails in 2022, from Member Network newsletters and our monthly Member Update, through to vital information about AGMs and voting. The average open rate was around 50%, which is well above industry average.

The approval to changes in our statutes and charter in summer 2022 enabled us to progress with the creation of two new member grades, Associate and Full members. This ensures we truly are a home for more people who use psychology in their careers and provides a smoother pathway through our grades for members as they progress in their careers.

Our chartered membership grew to its highest levels ever, with 20,251 members now upholding the highest standards in professional achievement. At 31 December we also had 25,984 graduate members, 15,164 student members, and 1,680 affiliate/e-subscriber members.

We increased the flexibility in how members can access events, delivering 146 in-person, hybrid or online events. These included networking, training and CPD events, and an in-person Senate meeting which proved a great success. Our expert witness conference was attended by over 300 people and our ever-popular Approved Clinician Forum returned to in-person after several years of being virtual. Additionally, we managed 74 AGMs and 312 committee meetings for our member networks, with attendance steadily growing.

Our desire and determination to ensure we are acting for our members, and delivering what they want and need, led us to begin the long-awaited Member Network Futures project with the recruitment of the first working group and outcomes expected in 2023. We also supported our members on the proposed HCPC fee increase, through a consultation response and seeking insight into the current cost of living pressures on our members and the value of their HCPC registration.

We continued to expand and strengthen our professional development opportunities for our members with five new online CPD products developed and launched via BPS Learn. These included the Expert Witness series, Sleep Psychology series and Inclusive Leadership course which successfully gained the Institute of Leadership and Management accreditation.

2022 Trustees' Annual Report (continued)

The 'on demand' offering on BPS Learn was expanded to enable members to study and learn at a time and place which suits them, with 19 on demand webinars to complement the 24 live CPD webinars and online workshops delivered to a total of 843 participants.

It was predominantly a year of digital development for our magazine, *The Psychologist* with the launch of a new website which integrated the Research Digest. In the first three months post launch, the website had a 128% rise in users than in the previous three months. We also launched an updated and integrated app, offering members complete access to a one-stop shop for all output from *The Psychologist* and Research Digest and the PsychCrunch podcast passed half a million downloads.

In amongst this important digital work, the printed issues were packed with diverse editions seeking to better reflect and support the BPS community and their activities. These included a combined July/August edition around the Senate-voted theme 'Tackling class-based inequality'. There was also the first entirely guest edited issue, from a team of Early Career Researchers at the University of Bath.

Promoting the highest standards in education

In 2022 the BPS Wider Psychological Workforce register received approval from the Professional Standards Authority. It is the BPS's first accredited register and shows our commitment to high standards, good practice and public protection as part of a government-backed scheme to protect the public.

We also received approval from Health Education England's Mental Health Assurance and Oversight Group to undertake the accreditation of Mental Health and Wellbeing Practitioner Training.

We launched the new standards for Coaching Psychology at Masters Level and our accredited programme portfolio reached 1,133 active programmes across undergraduate, postgraduate and professional training pathways, including those delivered via apprenticeships in England.

Our qualifications continued to attract a growing number of applications, with over 200 candidates enrolled on qualifications throughout 2022, and an increase in enrolments on the Qualification in Forensic Psychology, Qualification in Sport and Exercise Psychology and Qualification in Clinical Neuropsychology. Our commitment to improving the experience for those taking BPS qualifications saw the majority go live on [BPS Learn](#), offering a more streamlined and efficient process for candidates, supervisors, assessors and the Qualification Leadership Team.

2022 saw the implementation of the 'BPS Student Ambassador Programme' across universities throughout the UK with 140 volunteer students acting as advocates for the BPS, being our voices on the ground, and providing a student voice back into BPS-led workstreams. A successful 'Psychology Careers Festival' was held with over 1,400 delegates in attendance.

Three mentoring initiatives were launched, the South West Branch Mentoring Scheme, The DCP Leadership Programme, and the DSEP Early Careers Programme to provide support and guidance to members in different stages of their careers.

Over 200 Psychological Wellbeing Practitioner (PWP) apprentices have been successful in their end-point assessment following the recognition of the new End Point Assessment Organisation, BPS Assessments and Awards Ltd.

2022 Trustees' Annual Report (continued)

Influencing public policy

We successfully launched our campaign to make social class a protected characteristic with speakers including David Johnston MP, Chair of the APPG for Social Mobility at an event at the London School of Economics. The launch generated significant media coverage with an exclusive with the [New Statesman](#). Coverage was achieved across a range of national and regional print, broadcast and online media.

Our work on the Online Safety Bill, in partnership with the Royal College of Psychiatrists, the Mental Health Foundation and Young Minds was directly referenced in parliamentary debate on the issue.

We submitted a significant number of consultations this year, including to the Autumn Budget, the Mental Health Bill, the Department for Education's consultation on the SEND review, NHS England's consultation on gender dysphoria services, and the Scottish Parliament consultation on gender reform.

We engaged with members from across the Society on our response to the HCPC consultation on its proposed fee increase. Led by the BPS, a coalition of professional bodies and trade unions joined forces to raise our concerns about this proposed increase.

Improving Psychology's visibility

In 2022 we saw a shift away from the focus of the media on the pandemic, and a return to a more 'normal' news agenda.

In 2022 we handed over 346 media calls, supporting and building relationships with journalists from national, international and local media. This work, alongside our proactive activity, resulted in 2,942 mentions in articles across print, broadcast and online coverage.

Our willingness to speak on key social issues paid dividends with our work to raise awareness of the mental health impact of the cost of living crisis and its disproportionate impact on women, generating 173 pieces of coverage, including in the [Evening Standard](#), the *Independent* and the [Mail Online](#), [MSN](#) and a range of regional publications.

We worked closely to represent the views of our members and raise awareness of the issues important to them and the profession. This included raising concerns about changes to the CPS pre-trial therapy guidance that could lead to victims' therapy notes being used in court which was covered on BBC News night, and Radio 4's Women's Hour.

The launch of the new BPS website saw a renewed focus on our digital offering, with work to drive more traffic to the website resulting in a 69 per cent increase in returning visitors compared to the old site. There has been an 8% increase in mobile traffic, while average time on page has increased significantly. Traffic acquired through search engines increased by 20% reflecting work undertaken to boost the website's search engine optimisation.

This shift towards being digital-focused has seen large growth in a variety of engaging and informative content being produced on our social media channels, aimed at members and non-members to help take psychology to a wider audience. We expanded our social media offering to now include TikTok, which launched at the end of December 2022 with content designed to reach a younger audience with an interest in psychology. On Facebook we gained 13,000 new followers and on Twitter we gained 8,400 new followers during 2022.

2022 Trustees' Annual Report (continued)

Promoting equality, diversity and inclusion

Our commitment to embed equality, diversity and inclusion across all BPS workstreams continued throughout 2022 with the expansion of the EDI team to recruit an EDI Lead – Policy and Practice and an EDI Lead Member Networks.

This enabled us to build upon our foundations and recruit a new EDI board and its associated advisory groups and we were delighted to welcome 15 new EDI board members in October. In tandem, we also recruited a new Human Rights Advisory Group, welcoming 15 new group members to lead the Society's new approach to psychologically informed Human Rights work.

We were honoured to be part of Pride in London as it marked its 50th anniversary in July 2022. A group of 46 BPS members and staff gathered to march through central London. The group was made up of practitioners, academics, students, trainees and staff, and was the first time the BPS was represented at the event.

In 2022, the History of Psychology Centre (HoPC) was awarded funding for an Arts, Humanities and Research Council (AHRC) Collaborative Doctoral Award. The PhD will research the history of marginalised groups in UK psychology using the BPS archives as the primary resource.

As part of its commitment to shine a light on some of the controversies and psychology's dark past, the HoPC continued its work to review Professor Han Eysenck's publications in BPS journals through the newly established Challenging Histories in Psychology group. It was decided that a note of concern would be published with the article detailing why the findings are unreliable.

Wrapping up our change journey

In June 2022 our three-year Change Programme came to an end. The eleven workstreams of the programme were delivered within its £6m budget and when it closed the scope was largely complete, with any residual activities able to be delivered as business as usual by the BPS's operational teams.

A large proportion of the expenditure of the programme was focused on implementing modern IT systems to enable the BPS to update how it worked internally and how it supported its members. These included both of our core operating systems: our finance system and the member database, a digital platform for online communities, a digital publishing system, a virtual learning environment and a travel booking system.

The remainder of the workstreams worked with the society's membership to co-create the society of the future with a wider appeal, added member value, new membership grades, an updated network structure and enhanced services, such as mentoring.

2022 Trustees' Annual Report (continued)

Financial Review

Income

The Consolidated Statement of Financial Activities for the year is set out on page 18 of the financial statements.

Total Income in 2022 was maintained at £11.6m from £11.6m in 2021.

Although total income was maintained both income from Subscriptions, Registers and Directories reduced in 2022 by £0.5m and £0.3m respectively. Members experienced difficulties in being able to pay their subscriptions and in the same period, BPS changed its renewal process. The two matters caused a gap in subscription income.

Increasing numbers of members requested the subscription hardship rate as they continued to experience the effects of Covid-19 and also the effects of the financial situation. As a consequence subscription income fell by 7.7% to £6.0m. However, the membership numbers were maintained.

Income from the journals' partnership increased by 28% in 2022 following a reduction in 2021 of 8%. Other income fell by £95k compared to the 2021 year which included advertising and rental income.

Expenditure

Controlling costs remained an important strategy in 2022. The financial situation and increased inflation put pressure on expenditure. 2022's net income deficit was reduced through a combination of reduced activity continued from 2021 and a concerted effort to control costs.

Principal sources of funding

Fifty-four per cent of the Society's income derives from membership subscriptions (2021: 55%), with a further 21% from journal, books and publication subscriptions and sales (2021: 16%). Income from trading operations remained at 5% of total income (5% in 2021).

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 fund is a medium term investment to deliver growth over a five year period.

Investments were strongly influenced by the war in Ukraine from the end of February 2022 and the worsening financial situation which followed. The portfolio held with CCLA performed better than the benchmark but still had net losses of £1.4m compared to a net gain of £2.4m the previous year – a variance of 3.8m year on year.

BPS withdrew £3.4m in the year in order to pay for the remainder of its planned change programme, ensure cash flow in the final quarter of the year and repay its CBILS loan in full.

2022 Trustees' Annual Report (continued)

Trading companies

The Society has two subsidiaries: BPS Assessments and Awards Limited and BPS Communications Ltd. BPS Assessment and Awards Ltd was incorporated on 13 June 2020. The company commenced operations in 2021, providing end-point assessments for psychology apprenticeship standards in England. 2022 had a turnover of £175k (2021: £41k) with a profit of £97k (2021: £1k). BPS Communications Ltd was incorporated in August 1977 and operates the commercial advertising services for the BPS. In 2022 its turnover was £424K (2021:£515k) with a profit of £4k (2021:£175k) which was 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 2022, the free reserves were £12.2m after designating funds for the Member Network Review. This equates to 13 months' income based on current income levels. The level of reserves will ensure that 2023's expected deficit is covered in full.

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 2022 were £58,231 (2021: £58,231). There has been a period of inactivity, and therefore spending plans for the future are being updated.

Designated funds

A fund of £6m was set aside during 2019 to meet the costs of the Change Programme. The programme included 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 Member Network Futures project, which commenced in 2020. The total of designated funds as at 31 December 2022 was £573,000, (2021: £958,000).

Risk assessment

The BPS is responsible for a range of diverse activities that are subject to a certain degree of risk. The BPS has established systems for all areas of its work to ensure that standards and quality are maintained in its Risk Management Framework. Risk assessment and risk management form a critical part of these systems. They are about the management of risk, not the avoidance of risk.

Risk management is a continuous process and monitoring occurs on a regular basis: monthly by the SMT, at each meeting of the Risk and Assurance sub-committee and each meeting of the Board of Trustees. Monitoring and reviewing can be increased as required, for example, with the emergence of a new major risk or escalation of an existing risk.

The Board of Trustees, supported by the Risk and Assurance Sub-Committee, other Sub-Committees of the Board and the Senior Management Team assess whether any changes are required to strategy and objectives. This includes:

- Assessing that decisions are made within its risk appetite to successfully achieve objectives
- Reviewing the adequacy and effectiveness of internal controls
- Revisiting or changing policies, reprioritising resources, improving controls, and/or reviewing their risk appetite.

2022 Trustees' Annual Report (continued)

Risk appetite

Risk appetite indicates the amount and type of risk that an organisation is prepared to pursue, retain, or take in pursuit of its objectives. Setting the risk appetite ensures that decisions made are within trustees' desire to take, minimise, or avoid certain risks. It also helps to identify areas where the organisation can take more risk and where risk has been over-mitigated. This helps determine where best to allocate resources, such as time, money, and people.

The BPS Risk Management Framework requires that trustees conduct an annual risk appetite exercise. The risk appetite scale and categories are based on the Government's Orange Book¹. The following risk appetite statements have been agreed by trustees:

Strategy

- We have adopted an **open** stance for strategic risk.
- We prefer to consider all options and select those most likely to achieve a balance between a high likelihood of successful delivery and a high degree of benefit, value for money and satisfaction for members.

Governance

- We have moved from an **open** stance to adopt a cautious stance for governance risk.
- We prefer safe delivery options with a low degree of inherent risk that may yield limited potential benefit. Governance activities may carry a high degree of inherent risk deemed largely controllable in order to embed the recommendations from the 2022 Governance Review.

Operational

- We have adopted a **cautious** stance for operational risk.
- We prefer safe delivery options with a low degree of inherent risk to enhance efficiency, value for money and member satisfaction and embed changes from the Change Programme and investment in new systems.

Legal

- We have moved from a minimalist stance to adopt a **cautious** stance for legal risk.
- We prefer safe options that have low degree of inherent risk to provide assurance for the Board.

Property

- We have adopted an **open** stance for property risk.
- We prefer to achieve an optimum use of our properties to deliver a high degree of benefit for staff, members and ways of working. Activities related to our property portfolio may potentially carry, or contribute to, a high degree of residual risk in order to meet the needs of staff and members.

Financial

- We have adopted a **cautious** stance for financial risks.
- We prefer safe delivery options with a low degree of inherent risk that may yield limited potential benefit. Financial activities may carry a high degree of inherent risk deemed largely controllable.

People

- We have adopted an **open** stance for people risk.
- We prefer to achieve a balance between a high likelihood of successful delivery and a high degree of benefit for staff, culture and ways of working to benefit members. People related activities may potentially carry, or contribute to, a high degree of residual risk in order to achieve cultural change to leverage the benefits for the Change Programme.

¹ UK Government's Finance Function's Risk Appetite Guidance Notice v2 (2021).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1012891/20210805_-_Risk_Appetite_Guidance_Note_v2.0.pdf

2022 Trustees' Annual Report (continued)

Technology

- We have adopted an **open** stance for technology risk.
- We seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money from our recent investment in our technology systems through the Change Programme.

Reputational

- We have adopted an **open** stance for reputational risk.
- We seek to achieve a balance between a high likelihood of successful impact and a high degree of benefit. Activities may potentially carry, or contribute to, a high degree of residual reputational risk that is mitigated, where appropriate, by taking professional legal advice prior to acting.

Overall, five areas of risk were identified as 'open' and four areas deemed 'cautious'. A common theme throughout the discussions was that cautious risk appetite was set in areas that had undergone recent reviews, reforms and changes. There was caution regarding implementing additional projects and new systems until new policies, processes and ways of working are fully implemented.

Open risk appetite tended to be set in areas that are due for review (strategy, people) or currently under review (property) and reflected openness to the innovation and changes that will be required to implement the recommendations from the reviews.

There is the potential for tension when balancing the open reputational risk appetite with the cautious risk appetites set for legal and governance risks. Processes and oversight arrangements may constrain the appetite to take decisions that lead to additional organisational scrutiny where potential benefits outweigh risks.

The risk appetite statement is correct at the time of publication (May 2023). As a live document, it is reviewed as things change.

Principal risks

The following principal risks to BPS, our operations and our strategy have been identified, assessed and assigned mitigations:

Failure to realise revenue in line with the budget. This risk is graded as medium following the application of mitigations including: Identify savings and new revenue streams. Implementation, monitoring and evaluation of diversification plans – including re-prioritisation to increase revenue from existing products. Procedures are in place to review and action budget/cash flow variances and monitor and control costs.

2022 Trustees' Annual Report (continued)

Recruitment of volunteers for key roles. Volunteering has declined across the charity sector. Work commitments are cited as the main barrier to participation². This risk is graded as low following the application of mitigations including: Increased support and resources through the volunteer hub, review/reduction of time commitment for key roles, and review recent successful recruitment to determine optimal channels to share/post volunteer ads.

New ways of working create new opportunities for estate. There has been a move to hybrid working with staff and members spending less time in BPS buildings. There is a risk that our current physical spaces are not future proofed for new ways of working and recruitment trends. This risk is graded as low following the application of mitigations including: an independent review of the current estate and ways of working.

Optimisation of new operational and financial systems. Following the successful implementation of the Change Transformation Programme, new systems and software are in place. There is a risk that changes to processes and ways of working are not in place to maximise efficiencies and improve the member experience. This risk is graded as low following the application of mitigations including: Regular meetings with teams to prioritise work and work through any new issues before they have a major impact. Internal audit to indicate further opportunities to highlight areas of potential benefits of new systems. Regular, rigorous budgeting, monitoring and reporting.

Reputational risk arising from negative publicity concerning BPS staff, volunteers or members. Without mitigations there is a risk that the BPS becomes unattractive for members, volunteers and employees. Negative publicity may lead to a loss of members, funding and influence with key stakeholders to advance our strategy. This risk is graded as low following the application of mitigations including: Regular engagement and communication with key stakeholders to report on the charity's activities and financial situation and proactive management of adverse publicity.

Lack of diversity and inclusion. There is a risk that the BPS is not representative of the wider diversity of the membership or the communities they serve. As a result, the society is not attractive to and/or may raise barriers to participation for (potential) members, volunteers and employees from marginalised groups. This risk is graded as low following the application of mitigations including: Collection of staff and members' diversity data to monitor progress and inclusion and areas where we need to improve. There is also a new EDI Strategy Board to monitor that equity, equality, diversity and inclusion are embedded in the organisation and to scrutinise and advise on the effectiveness and outcomes of EDI work across the society.

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:

² <https://www.gov.uk/government/statistics/community-life-survey-202021-volunteering-and-charitable-giving>

2022 Trustees' Annual Report (continued)

- 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.



Dr Nicky Hayes
President

Date: 21/06/2023

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 2022 which comprise the Group and Society Statement of Financial Activities, the Group and Society Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2022 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 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 12 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 Strategic Report and the Trustees' 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, 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.

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

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.

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 (Jun 27, 2023 18:51 GMT+1)

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 Jun 27, 2023

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 2022

		2022	2022	2022	2022	2021
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
Income:						
Income from charitable activities:						
Subscriptions		6,005	-	-	6,005	6,507
Registers and directories		386	-	-	386	637
Conferences and events		470	-	-	470	263
Journals and book publishing	4	2,375	-	-	2,375	1,854
Other income	5	1,700	-	-	1,700	1,795
Income from Trading operations	7	623	-	-	623	557
Investment income	6	2	-	-	2	15
Total Income		<u>11,561</u>	<u>-</u>	<u>-</u>	<u>11,561</u>	<u>11,628</u>
Expenditure:						
Expenditure on raising funds:						
Trading costs	7	475	-	-	475	352
Expenditure on charitable activities:						
Advancement of psychology		2,585	-	-	2,585	2,312
Application of psychology		999	-	-	999	624
Conferences and events		448	-	-	448	489
Co-operation with organisations		347	-	-	347	329
Diffusion of knowledge		3,585	-	-	3,585	3,227
Examinations and training		1,480	-	-	1,480	1,415
Membership		3,099	-	-	3,099	2,932
Science and policy		1,229	-	-	1,229	1,163
Other expenditure: Change programme & Member Network Review		<u>385</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>1,818</u>
Total expenditure	8	<u>14,632</u>	<u>-</u>	<u>-</u>	<u>14,632</u>	<u>14,661</u>
 (loss)/ gains on investments	14	 (1,417)	 -	 -	 (1,417)	 2,421
Net (loss)		<u>(4,488)</u>	<u>-</u>	<u>-</u>	<u>(4,488)</u>	<u>(612)</u>
Transfer between funds	17	385	(385)	-	-	-
Net movement in funds		<u>(4,103)</u>	<u>(385)</u>	<u>-</u>	<u>(4,488)</u>	<u>(612)</u>
Reconciliation of funds						
Total funds brought forward		<u>19,653</u>	<u>958</u>	<u>58</u>	<u>20,670</u>	<u>21,282</u>
Total funds carried forward		<u>15,550</u>	<u>573</u>	<u>58</u>	<u>16,182</u>	<u>20,670</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

THE SOCIETY STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022

		2022	2022	2022	2022	2021
	Note	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000	Total £'000
Income:						
Income from charitable activities:						
Subscriptions		6,005	-	-	6,005	6,507
Registers and directories		386	-	-	386	637
Conferences and events		470	-	-	470	263
Journals and book publishing	4	2375	-	-	2375	1,854
Other income	5	1700	-	-	1700	1795
Income from Trading operations	7	52	-	-	52	204
Investment income	6	2	-	-	2	15
Total Income		<u>10,990</u>	<u>-</u>	<u>-</u>	<u>10,990</u>	<u>11,275</u>
Expenditure:						
Expenditure on charitable activities:						
Advancement of psychology		2,585	-	-	2,585	2,312
Application of psychology		999	-	-	999	624
Conferences and events		448	-	-	448	489
Co-operation with organisations		347	-	-	347	329
Diffusion of knowledge		3,585	-	-	3,585	3,227
Examinations and training		1,480	-	-	1,480	1,415
Membership		3,099	-	-	3,099	2,932
Science and policy		1,229	-	-	1,229	1,163
Other Expenditure:						
Change programme		385	-	-	385	1,818
Total expenditure		<u>14,157</u>	<u>-</u>	<u>-</u>	<u>14,157</u>	<u>14,309</u>
				-		
(Loss)/gain on investments	14	(1,417)	-	-	(1,417)	2,421
Net (loss)		<u>(4,584)</u>	<u>-</u>	<u>-</u>	<u>(4,584)</u>	<u>(613)</u>
Transfer between funds	17	385	(385)	-	-	-
Net movement in funds		<u>(4,199)</u>	<u>(385)</u>	<u>-</u>	<u>-</u>	<u>(613)</u>
Reconciliation of funds						
Total funds brought forward		<u>19,653</u>	<u>958</u>	<u>58</u>	<u>20,669</u>	<u>21,282</u>
Total funds carried forward		<u>15,454</u>	<u>573</u>	<u>58</u>	<u>16,085</u>	<u>20,669</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 2022 was unrestricted.

CONSOLIDATED BALANCE SHEET at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	13	7,290	7,555
Investments	14	10,219	15,026
Total fixed assets		<u>17,509</u>	<u>22,581</u>
Current assets			
Debtors	15	1,592	1,899
Cash at bank and in hand		1,387	1,661
		<u>2,979</u>	<u>3,560</u>
Liabilities			
Creditors: amounts falling due within one year	16	(4,306)	(3,784)
Net current liabilities		<u>(1,327)</u>	<u>(224)</u>
Creditors: amounts falling due in more than one year	16	-	(1,687)
Net assets		<u>16,182</u>	<u>20,670</u>
The funds of the group:			
Restricted income funds	17	58	58
Unrestricted funds:	17		
General funds		11,522	15,610
Designated funds		573	958
Revaluation reserve		4,029	4,044
Total unrestricted funds	17	<u>16,124</u>	<u>20,612</u>
Total funds		<u>16,182</u>	<u>20,670</u>

The financial statements on pages 17 to 47 were approved by the Board of Trustees and authorised for issue on 21 June 2023 and signed on its behalf by:



Dr Nicky Hayes
President

SOCIETY BALANCE SHEET at 31 December 2022

	Note	2022	2021
		£'000	£'000
Fixed assets			
Tangible assets	13	7,290	7,555
Investments	14	10,219	15,026
Total fixed assets		<u>17,509</u>	<u>22,581</u>
Current assets			
Debtors	15	1,748	2,428
Cash at bank and in hand		1,215	1,512
		<u>2,963</u>	<u>3,940</u>
Liabilities			
Creditors: amounts falling due within one year	16	(4,387)	(4,165)
Net current liabilities		<u>(1,424)</u>	<u>(225)</u>
Creditors: amounts falling due in more than one year		0	(1,687)
Net assets		<u>16,085</u>	<u>20,669</u>
The funds of the Society:			
Restricted income funds	17	58	58
Unrestricted funds:	17		
General funds		11,425	15,609
Designated funds		573	958
Revaluation reserve		4,029	4,044
Total unrestricted funds	17	<u>16,027</u>	<u>20,611</u>
Total funds		<u>16,085</u>	<u>20,669</u>

The financial statements on pages 17 to 47 were approved by the Board of Trustees and authorised for issue on 21 June 2023 and signed on its behalf by:



Dr Nicky Hayes
President

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2022

	Note	Group 2022 £'000	Group 2021 £'000	Society 2022 £'000	Society 2021 £'000
Net Cash provided by operating activities	21	<u>(1,492)</u>	<u>(3,447)</u>	<u>(1,515)</u>	<u>(3,576)</u>
Cash flow from investing activities:					
Dividend and interest from investments		2	15	2	15
Purchase of tangible fixed assets		(47)	(23)	(47)	(23)
Disposal of tangible fixed assets		0	6	0	6
Proceeds from sales of investments		<u>3,390</u>	<u>3,500</u>	<u>3,390</u>	<u>3,500</u>
Net Cash Provided by investing activities		<u>3,345</u>	<u>3,498</u>	<u>3,345</u>	<u>3,498</u>
Net cash from/(used) in Financial activities					
Repayments of borrowing		<u>(2,127)</u>	<u>(73)</u>	<u>(2,127)</u>	<u>(73)</u>
Net cash provided by (used in) financing activities		<u>(2,127)</u>	<u>(73)</u>	<u>(2,127)</u>	<u>(73)</u>
Change in cash and cash equivalents in the year		(274)	(22)	(297)	(151)
Cash and cash equivalents at the beginning of the year		<u>1661</u>	<u>1683</u>	<u>1,512</u>	<u>1,663</u>
Cash and cash equivalents at the end of the year		<u>1,387</u>	<u>1,661</u>	<u>1,215</u>	<u>1,512</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

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 2022, 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 2022 was £5,621,963 (2021: £5,621,963).

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 2022 was £52,065 (2021: £86,659).

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 2022

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 continue 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: BPS Communications Limited and BPS A&A Limited: 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. 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 2022

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 2022

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 2022

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 July 2022.

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 2022

4. JOURNALS AND BOOK PUBLISHING

	2022 £'000	2021 £'000
Income from journal subscriptions and sales	2,354	1,837
Income from book and publications sales	21	17
	<u>2,375</u>	<u>1,854</u>

5. OTHER INCOME

	2022 £'000	2021 £'000
Advertising revenue	222	162
Examination income	506	769
Quality assurance	666	687
Rental income	18	33
Professional Development Centre	269	126
Sundry income	19	18
	<u>1,700</u>	<u>1,795</u>

6. INVESTMENT INCOME

	2022 £'000	2021 £'000
Income from listed investments	-	-
Bank and money market interest	2	15
	<u>2</u>	<u>15</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

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. Trading results of BPS Communications Limited for the twelve months to 31 December 2022 are shown below.

	2022	2021
	£'000	£'000
Turnover	424	515
Cost of sales	<u>(102)</u>	<u>(93)</u>
Gross profit	322	422
Distribution costs	(226)	(196)
Administrative costs	(92)	(49)
Gift Aid	<u>(4)</u>	<u>(175)</u>
Profit/(Loss) before taxation	0	2
Taxation	-	-
Profit/(Loss) for year	<u>0</u>	<u>2</u>

The assets and liabilities of the subsidiary are:

	2022	2021
	£'000	£'000
Current assets:		
Debtors	419	544
Cash at bank	<u>79</u>	<u>132</u>
	498	676
Creditors: amount falling within one year	<u>(498)</u>	<u>(676)</u>
	-	-

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

During the year the Society charged BPS Communications Limited service charges amounting to £14,415 (2021: £14,415) in respect of services provided by the Society. Trading costs, excluding these costs, amount to £406,000 (2021: £324,000). At the year-end, the Society was owed £416,000 (2021: £440,000) by BPS Communications Limited and owed BPS Communications Limited £162,000 (2021: £411,551).

All profits generated by BPS Communications Limited for 2022 are to be distributed to the British Psychological Society under Gift Aid.

The Society owns 100% of BPS Assessments and Awards Limited (company number 12668789) which commenced operations in August 2021. The principal activity of the Company is operating as an end-point assessment organisation.

BPS Assessments and Awards Limited was incorporated in June 2020 and commenced operations in August 2021. The principal activity of the Company is operating as an end-point assessment organisation. Trading results of BPA Assessments & Awards for the year ended 31 December 2022 are shown below

	2022	2021
	£'000	£'000
Turnover	175	41
Cost of sales	<u>(49)</u>	<u>(7)</u>
Gross profit	126	34
Administrative costs	<u>(29)</u>	<u>(33)</u>
Profit/(Loss) before taxation	<u>97</u>	<u>1</u>
Taxation	0	0
Profit/for year	<u>97</u>	<u>1</u>

The assets and liabilities of the subsidiary are:

	2022	2021
	£'000	£'000
Current assets:		
Debtors	46	35
Cash at bank	<u>93</u>	<u>17</u>
	139	52
Creditors: amount falling within one year	<u>(42)</u>	<u>(51)</u>
	<u>97</u>	<u>1</u>

During the year the Society charged BPS Assessment and Awards Limited service charges amounting to £10,000 (2021: £14,000) in respect of services provided by the Society. Trading costs, excluding these costs, amount to £68,000 (2021: £26,000). At the year end, the Society was owed £10,000 (2021: £44,000) by BPS Assessment & Awards Limited and owed BPS Assessment & Awards Limited £42,000 (2021: £17,000). All profits generated by BPS Assessment & Awards Limited for 2022 will be distributed to the British Psychological Society under Gift Aid.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

8. TOTAL EXPENDITURE

Group	2022	2021
	£'000	£'000
Expenditure on charitable activities:		
Advancement of psychology		
Journal costs	955	790
Direct salaries	1,190	1,023
Other direct costs	140	198
Support costs	300	301
	<u>2,585</u>	<u>2,312</u>
Application of psychology		
Section expenditure	876	501
Direct salaries	76	76
Other direct costs	27	27
Support costs	20	20
	<u>999</u>	<u>624</u>
Conferences and events		
Society conferences	181	239
Direct salaries	195	168
Other direct costs	23	33
Support costs	49	49
	<u>448</u>	<u>489</u>
Co-operation with other organisations		
Direct salaries	254	218
Other direct costs	29	47
Support costs	64	64
	<u>347</u>	<u>329</u>
Diffusion of knowledge		
Publishing costs	930	755
Direct salaries	1,954	1,668
Other direct costs	211	311
Support costs	490	493
	<u>3,585</u>	<u>3,227</u>
Examinations and training		
Examinations costs	145	167
Direct salaries	976	839
Other direct costs	114	162
Support costs	245	247
	<u>1,480</u>	<u>1,415</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

8. TOTAL EXPENDITURE (continued)

Group	2022 £'000	2021 £'000
Expenditure on charitable activities:		
Membership		
Direct salaries	2,264	1,946
Other direct costs	266	414
Support costs	569	572
	<u>3,099</u>	<u>2,932</u>
Science and policy		
Direct salaries	898	772
Other direct costs	106	164
Support costs	225	227
	<u>1,229</u>	<u>1,163</u>
Trading costs	475	352
Investment management fees	-	-
Pension provision	-	-
Change programme & MN Review costs	385	1,818
	<u>860</u>	<u>2,170</u>
Total expenditure	<u>14,632</u>	<u>14,661</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

9. SUPPORT COST ALLOCATION

	Property costs £'000	IT costs £'000	HR & Finance £'000	Directorate costs £'000	2022 £'000	2021 £'000
Charitable expenditure:						
Advancement of psychology	36	57	118	89	300	301
Application of psychology	2	4	8	6	20	20
Conferences and events	6	9	20	14	49	49
Co-operation	7	12	26	19	64	64
Diffusion of knowledge	56	91	194	149	490	493
Examinations and training	29	46	97	73	245	247
Membership	68	107	227	167	569	572
Science and policy	26	42	90	67	225	227
Total expenditure	230	368	780	584	1,962	1,973

The Group has identified the costs of the support function and costs which relate to the governance function which amount to £381,021 (2021: £676,553). 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 2022

10. NET INCOME FOR THE YEAR**Group and Society**

Net income is stated after charging:

	2022	2021
	£'000	£'000
Depreciation	312	323
Auditors' remuneration - audit services	32	35
- other services	-	3
	<u> </u>	<u> </u>

11. STAFF NUMBERS AND EMOLUMENTS

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

	2022	2022	2021	2021
	Full	Part	Full	Part
	time	time	time	time
Leicester office	111	17	113	20
London office	15	2	11	1
Regional centres	-	3	-	2
Remote	1	-	-	-
	<u>127</u>	<u>22</u>	<u>124</u>	<u>23</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Average FTE was 142 (2021: 140).

Remuneration of employees was as follows:

	2022	2021
	Total	Total
	£'000	£'000
Gross wages and salaries	6,295	5,777
Employer's National Insurance	689	612
Defined contribution pension costs	550	531
	<u>7,534</u>	<u>6,920</u>
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

11. STAFF NUMBERS AND EMOLUMENTS (continued)

During the year statutory redundancy and termination payments to 13 employees amounted to £392,913(2021: £16,656).

Remuneration of employees was as follows:	2022	2021
	£'000	£'000
Payment in Lieu of notice	96	12
Settlement agreement	64	5
Redundancy	233	-
Total	393	17

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 £550,275 (2021: £469,000), of which £67,342 (2021: £61,707) were due at the year-end.

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

	2022	2021
	Number	Number
£60,000 - £69,999	8	8
£70,000 - £79,999	3	-
£80,000 - £89,999	3	1
£90,000 - £99,999	1	-
£100,000 - £109,999	1	1
£110,000 - £119,999	-	1
£120,000 - £129,999	-	1
£130,000 - £139,999	2	1

During the year the group paid pension contributions in respect of the above higher paid individuals amounting to £137,904 (2021: £108,155).

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

12. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

Trustees may from time to time be paid for carrying out services as an expert. In 2022 Trustee Dr Nicky Hayes carried out work as Senior Editor, Assessment & Development matters for the Psychological Testing Centre receiving £3,000 in the year. Practical Psychology Consultancy Ltd received £1,850 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. Julia Faulconbridge received £9,000 in 2022 for Professional services as DCP Communications and Publications Lead.

In 2022 travelling expenses were repaid to 9 Trustees (2021: 10) totalling £4,185 (2021: £2,104).

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 £874,610 (2021: £724,067).

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 (2021: £9,500) No claims have been made under this policy in 2022.

The Royal Charter states that "the President may receive reasonable and proper remuneration to compensate the President for the sum or sums of money lost from employment or deducted from their earnings in respect of time spent on the conduct of the business of the Society". Under the Royal Charter as in force prior to 19 July 2022, there was also power to compensate the Honorary General Secretary for loss of earnings related to the role.

	2022	2021
	£	£
President	£11,000	£nil
Honorary General Secretary	£nil	£nil

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

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

	Freehold land & buildings £'000	Computer & Print £'000	Office equipment £'000	Total £'000
Cost				
At 1 January 2022	9,260	379	392	10,031
Additions	-	11	36	47
Disposals	-	(165)	-	(165)
At 31 December 2022	9,260	225	428	9,913
Depreciation				
At 1 January 2022	1,927	322	227	2,476
Charge for the year	219	51	42	312
Disposals	-	(165)	-	(165)
At 31 December 2022	2,146	208	269	2,623
Net book value				
At 31 December 2022	7,114	17	159	7,290
At 31 December 2021	7,333	57	165	7,555

Old computer assets were destroyed during the year as obsolete totalling £165,000.

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 £7,114,000 (2021: £7,333,000) is £3,855,000 (2020: £3,855,000) relating to non-depreciated freehold land.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

14. FIXED ASSET INVESTMENTS	2022	2021
Group and Society	£'000	£'000
Market value at 1 January 2022	15,026	16,105
Additions	-	-
Disposal proceeds	(3,390)	(3,500)
Net investment (loss)/gain unrealised	(1,055)	2,166
Net investment (loss)/gain realised	(362)	255
Market value at 31 December 2022	<u>10,219</u>	<u>15,026</u>
Cash awaiting investment	<u>-</u>	<u>-</u>
Total at 31 December 2022	<u>10,219</u>	<u>15,026</u>

At 31 December 2022, the investment portfolio consisted of 2,281,844.55 units invested in accumulation units of the COIF Charities Investment Fund managed by CCLA with a bid market valuation of £10,219,469. 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 2022

• Overseas Equities	66.81%
• UK Equities	9.54%
• Infrastructure & Operating Assets	7.75%
• Cash & Near Cash	10.07%
• Property	3.43%
• Contractual, Private Equity & Other	4.49%

Investment assets in 2022 comprised £7,093,333 (69.41%) in UK and overseas equities, £1,029,101 (10.07%) Cash or near cash and £2,097,035 (20.52%) in other investments

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

15. DEBTORS

	2022 Group	2021 Group	2022 Society	2021 Society
	£'000	£'000	£'000	£'000
Trade debtors	350	416	83	265
Prepayments and accrued income	1,166	1,404	1166	1,404
Amounts due from subsidiary companies	-	-	423	680
VAT recoverable	76	79	76	79
	<u>1,592</u>	<u>1,899</u>	<u>1,748</u>	<u>2,428</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 Group	2021 Group	2022 Society	2021 Society
	£'000	£'000	£'000	£'000
Trade creditors	342	47	335	36
Subscriptions received in advance	1458	1,107	1458	1,107
Other deferred income	1448	843	1424	843
Other creditors	78	244	78	244
Accruals	666	880	643	880
Amounts due to subsidiary companies	-	-	201	429
Other taxation and social security	314	223	248	186
Bank Loan	0	440	0	440
	<u>4,306</u>	<u>3,784</u>	<u>4,387</u>	<u>4,165</u>

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

16. Creditors (continued)

Group and Society Deferred Income	Group £'000	Society £'000
Balance as at 1 January 2022	1,950	1,950
Amounts released from previous year	(1903)	(1903)
Income deferred in the year	2,859	2,835
Balance as at 31 December 2022	<u>2,906</u>	<u>2,882</u>

Other deferred income includes Exams fees £614k (2021: £190k), Accreditation fees £397k (2021: £422k), Journals £nil (2021: £nil), Registers £188k (2021: £nil)

CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	2022 Group	2021 Group	2022 Society	2021 Society
	£'000	£'000	£'000	£'000
CBILS Bank Loan	-	1,687	-	1,687
	<u>-</u>	<u>1,687</u>	<u>-</u>	<u>1,687</u>
	<u><u>-</u></u>	<u><u>1,687</u></u>	<u><u>-</u></u>	<u><u>1,687</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 was 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. In March 2022, the Loan was converted to a secured loan from RBS being secured on the Leicester Office building. At the end of October 2022 the loan was repaid in full.

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

17. ANALYSIS OF CHARITABLE FUNDS

Group

Analysis of movements in unrestricted funds

	Funds brought forward at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Gains Losses	transfers £'000	Funds carried forward at 31 Dec 2022 £'000
General	15,610	11,561	(14,632)	(1,417)	400	11,522
Designated fund	958	-		-	(385)	573
Revaluation reserve	4,044	-	-	-	(15)	4,029
	20,612	11,561	(14,632)	(1,417)	-	16,124

Society

Analysis of movements in unrestricted funds

	Funds brought forward at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Gains Losses	transfers £'000	Funds carried forward at 31 Dec 2022 £'000
General	15,609	10,990	(14,157)	(1,417)	400	11,425
Designated fund	958	-	-	-	(385)	573
Revaluation reserve	4,044	-	-	-	(15)	4,029
	20,611	10,990	(14,157)	(1,417)	-	16,027

The Designated fund of £6m was set aside for the change programme. £573k has yet to be spent (in 2023). 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 2022

17. ANALYSIS OF CHARITABLE FUNDS (continued)

Group

	Funds brought forward at				Gains, losses and	Funds carried forward at
	1 Jan 2021	Income	Expenditure	Gains, losses	transfers	31 Dec 2021
	£'000	£'000	£'000	£'000	£'000	£'000
General	14,389	11,628	(14,661)	2,421	1,833	15,610
Designated fund	2776	-			(1,818)	958
Revaluation reserve	4,059	-	-		(15)	4,044
	21,224	11,628	(14,661)	2,421	-	20,612

Society

	Funds brought forward at				Gains, losses and	Funds carried forward at
	1 Jan 2021 Restated	Income	Expenditure	Gains, Losses	transfers	31 Dec 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Gains						
General	14,389	11,275	(14,309)	2,421	1,833	15,609
Designated fund	2,776	-	-		(1818)	958
Revaluation reserve	4,059	-	-		(15)	4044
	21,224	11,275	(14,309)	2,421	-	20,611

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 2022

17. ANALYSIS OF CHARITABLE FUNDS (continued)

Group and Society

Analysis of movements in restricted funds

	Funds brought forward at 1 Jan 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Funds carried forward at 31 Dec 2022 £'000
William Inman	7	-	-	-	7
Visual archive	10	-	-	-	10
BJEP fund	41	-	-	-	41
	<hr/> 58	<hr/> -	<hr/> -	<hr/> -	<hr/> 58
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	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
	<hr/> 58	<hr/> -	<hr/> -	<hr/> -	<hr/> 58
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2022

18. FINANCIAL INSTRUMENTS

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

	2022 Group £'000	2021 Group £'000	2022 Society £'000	2021 Society £'000
Financial assets				
Debt instruments measured at amortised cost	419	2,156	582	2,536
Instruments measured at fair value through profit or loss	10,219	15,026	10,219	15,026
Total net assets	10,638	17,182	10,801	17,562
Financial liabilities				
Debt instruments measured at amortised cost	734	514	862	893
Instruments measured at fair value through profit and loss	-	2,127	-	2,127
	734	2,641	862	3,020

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**Group**

Fund balances at 31 December 2022 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	7,290	-	7,290
Investments	10,219	-	10,219
Current assets	2,931	58	2,989
Current liabilities	(4,316)	-	(4,316)
Total net assets	16,124	58	16,182

NOTES TO THE CONSOLIDATED AND SOCIETY FINANCIAL STATEMENTS

31 December 2022

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Society

Fund balances at 31 December 2022 are represented by:

	Unrestricted	Restricted	Total
	£'000	£'000	£'000
Tangible fixed assets	7,290	-	7,290
Investments	10,219	-	10,219
Current assets	2,905	58	2,963
Current liabilities	(4,387)	-	(4,387)
Total net assets	16,027	58	16,085

Group

Fund balances at 31 December 2021 were represented by:

	Unrestricted	Restricted	Total
	£'000	£'000	£'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	20,612	58	20,670

Society

Fund balances at 31 December 2021 were represented by:

	Unrestricted	Restricted	Total
	£'000	£'000	£'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

20. CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

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

	Group 2022 £'000	Group 2021 £'000	Society 2022 £'000	Society 2021 £'000
Net (outgoing)/incoming resources	(4,488)	(612)	(4,584)	(613)
Adjustments for:				
Depreciation charges	312	323	312	323
Loss/(Gains) on investments	1,417	(2,421)	1,417	(2,421)
Investment income in investing activities	(2)	(15)	(2)	(15)
(Increase)/Decrease in debtors	306	(423)	680	(712)
(Decrease)/Increase in creditors	963	(299)	662	(138)
Net cash provided by operating activities	(1,492)	(3,447)	(1,515)	(3,576)

22. RECONCILIATION OF NET DEBT

	January 2022 £'000	Cash Flows £'000	Non-Cash Changes £'000	December 2022 £'000
Cash and cash equivalents				
Cash	1,661	(446)	-	1,215
	1,661	(446)	-	1,215
Borrowings				
Debt due within one year	440	(440)	-	NIL
Debt due after one year	1,687	(1,687)	-	NIL
	2,127	(2,127)	-	NIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

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.

	2022 £'000	2021 £'000
Amounts due:		
Within 1 year	10	-
Within 2-4 years	<u>29</u>	<u>4</u>

The Group and Society as lessor:

The Group currently has no contracts with tenants re 2022, under non-cancellable operating leases.

	2022 £'000	2021 £'000
Amounts receivable:		
Less one year	nil	nil
Between one and five years	<u>nil</u>	<u>nil</u>

Legal and Administrative Information

Trustees	President	Dr N Hayes (from 27.07.2022)
	President Elect	
	Vice President	Ms K Carpenter (from 27.07.2022)
	Chair of Board of Trustees	Mr D Crundwell (from 16.12.2022)
	Honorary General Secretary	
	Honorary Treasurer	Dr R Gervais (to 31.12.2022)
	Trustee	Dr P Branney
	Trustee	Mrs C Buxton
	Trustee	Ms A Clarke
	Trustee	Dr E Cohen-Tovee (to 27.7.2022)
	Trustee	Ms Julia Faulconbridge (from 27.07.2022)
	Trustee	Mr J Harding (from 8.2.2023)
	Trustee	Mr M Howell (from 8.2.2023)
	Trustee	Dr A Jowett
	Trustee	Dr N Lancer (from 04.11.2022)
	Trustee	Professor C McGuinness
	Trustee	Mr K Quinn (from 6 .4.2023)
	Trustee	Professor N Stack to (16.12.2022)
	Trustee	Professor A Tolmie

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
Director of Membership and Professional Development	Ms K Beamish (to 30.09.2022)
	Mr D O'Keefe (01.10.2022)
Director of Knowledge and Insight	Ms D Malpass
Head of Legal and Governance	Ms C Attfield (to 14.02.2022)

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

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09.06.2023