



Royal College of Occupational Therapists

Annual Report of Council 30 September 2020

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REPORT OF COUNCIL

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

Council presents the report and financial statements of the Royal College of Occupational Therapists for the year ended 30 September 2020. The financial statements comply with the Statement of Recommended Practice for Accounting and Reporting by Charities ("FRS102") applicable accounting standards and the Companies Act 2006.

Patron

HRH The Princess Royal, GCVO

President

Professor Sheila the Baroness Hollins

Vice Presidents

Professor Sir Mansel Aylward CB

Professor Sir Clive Booth

Colin Ettinger

Chair of Council

Professor Diane Cox

Vice Chair of Council

Kim Atkinson (appointed 27/08/20)

Lyn Westcott (retired 27/08/20)

Capacity

Council Member

Chair

Professor Diane Cox

Industrial Relations

Deborah Reilly (retired 25/02/20)

Cathryn Holding (appointed 11/06/20)

International Affairs

Sandra Rowan (retired 27/08/20)

Dr Kee Hean-Lim (appointed 27/08/20)

RCOT Board: Wales

Kim Atkinson

RCOT Board: Northern Ireland

Lena Canavan

RCOT Board: Scotland

Fiona Warrender

RCOT Board: England

Alison Wilcox

Capacity

RCOT Board: Research & Development

RCOT Board: Learning and Development

Council Member

Dr Duncan Pentland

Lyn Westcott (retired 27/08/20)

Lisa Ledger (appointed 27/08/20)

Secretary

Julia Scott

Registered Office

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

LEGAL AND ADMINISTRATIVE INFORMATION

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

Trustees

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

| | |
|--------------------------|-------------|
| Company Secretary | Julia Scott |
|--------------------------|-------------|

Business Management Group

| | |
|---|------------------|
| Chief Executive | Julia Scott |
| Director of Human Resources | Diana Atkinson |
| Director of Professional Operations | Karin Bishop |
| Director of Finance & Corporate Services | Trevor White |
| Assistant Director, Professional Practice | Karin Orman |
| Assistant Director, Communications and Marketing | Clare Cochrane |
| Assistant Director, Education & Research | Dr Joanne Watson |

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

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

LEGAL AND ADMINISTRATIVE INFORMATION - continued

Investment Managers

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

Solicitors

DAC Beachcroft LLP 25 Walbrook, London, EC4N 8AF

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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

Recruitment and appointment of Council Members

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

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

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

Induction and training of Council Members

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

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

All these procedures are kept under regular review.

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational structure

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

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

Remuneration of key management personnel

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

STRATEGIC REPORT

Objectives and Activities

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

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

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

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

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

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

STRATEGIC REPORT - continued

Objectives and Activities – continued

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

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

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

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

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

Achievements and Performance

Each year, Council approves a business plan, which is then broken down into individual group and departmental action plans. A large amount of effort is required to maintain the momentum of existing initiatives and “work-in-progress” and to retain and build the existing market share of qualified occupational therapists (70% as at 30 September 2020). Some of the more notable achievements in the year relating to RCOT’s charitable activities were:

- **Public Benefit** – RCOT is very aware of its responsibilities to demonstrate that its activities benefit the public. Hence:
 - In 2020 RCOT received and responded to 2,235 enquiries (2019 2,211) an increase of 1%. Of these, 229 (10%) were from non-members. Out of the 229 enquiries from non-members, 152 (66%) of these were from members of the public looking for an independent occupational therapist.
 - Ongoing collaboration with a range of governmental agencies and charities enables RCOT to raise awareness of occupational therapy to wider audiences.

STRATEGIC REPORT – continued

Achievements and Performance - continued

- Whilst the challenges of COVID-19 have been significant for all health and care workforce groups, it has brought to the fore the distinct value of occupational therapy in relation to acute care, rehabilitation and safe discharge, which has been reported on in a range of public facing media.
- During the financial year RCOT joined 3 coalitions of agencies to actively promote and call for greater investment in rehabilitation services.
- RCOT continued to set the standards, requirement of practice and professional values and behaviours across the profession by continually developing professional education, practice standards and codes of behaviour and ethical conduct.
- **Promoting the profession** – RCOT looks for every opportunity to promote the value of occupational therapy. For example:
 - Its continued involvement in influencing, providing briefings for Ministers and civil servants, consultation responses and attending Government work groups on significant pieces of new legislation. During 2020, RCOT received 198 requests to engage in high level Government or key stakeholder meetings across all four nations.
 - The *Small Change Big Impact*, campaign intended to celebrate and champion the impact of occupational therapy on the lives of service users and the communities where they live was hugely successful. During occupational therapy week in November 2019 RCOT ran a story wall with *The Small Change Big Impact* campaign as the theme. This allowed members to contribute and share their stories via RCOT web pages. 610 member shared their stories and these were viewed 15,420 times. Over 1000 events were also held throughout the country to promote occupational therapy week. These were supported by 35 unique downloadable resources and over 3000 occupational therapy week packs were sent to support these member activities.
 - Despite the limitations imposed by COVID-19 membership continues to grow and has increased by 683 members. During the year RCOT worked with a total of 42 education providers of which 6 were new.

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

STRATEGIC REPORT - continued

Achievements and Performance - continued

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

In response to COVID-19 the RCOT has produced a wealth of guidance for its members:

- How to manage post-viral fatigue after COVID-19: practical advice for people who have been treated in hospital.
- How to manage post-viral fatigue after COVID-19: practical advice for people who have recovered at home.
- How to conserve your energy practice advice for people during and after having COVID-19.
- A quick guide for occupational therapists: rehabilitation for people recovering from COVID-19.
- Coronavirus: Practical and legal implications for occupational therapists working in Scotland, Wales and Northern Ireland. Produced in partnership with RCOT specialist section housing.
- Home programmes for children with cerebral palsy. Produced in partnership with RCOT specialist section children, young people and families.
- Homes programmes for children with an intellectual disorder. Produced in partnership with RCOT specialist section children, young people and families.

In addition the professional bodies for occupational therapists in 33 countries have sought permission from the RCOT to translate its member guidance into their own language. Members are also emailed regular COVID updates relevant to their work, whether it is on the front line in hospitals or care homes, or in the community.

During the year the criteria for membership was widened to enable retired and student members who are volunteering to support the NHS, to benefit from membership support at a reduced cost. For the first time apprentices have also been welcomed as RCOT members.

As a professional body, RCOT collaborated with a range of agencies in the health, care and education sectors. Much effort has been focused on the pressing need to increase the workforce and RCOT has supported every effort to ensure an appropriate supply of skilled professionals. For example, close collaboration and planning with the education sector supported the use of student occupational therapists in acute health care settings in order to maximise workforce capacity.

Financial Review

Council report that total income for the year 2019/20 was £8.3m (2019: £8.6m). Membership subscriptions are initially paid to BAOT, which has an agreement with UNISON to provide industrial relations services.

STRATEGIC REPORT - continued

Financial Review - continued

After payment of the costs of industrial relations services, BAOT transfers the balance of member subscriptions to RCOT in order to further the work of RCOT. This year, the balance of subscriptions transferred increased by 3% to £7m (2019 - £6.7m).

The total expenditure by RCOT for the year 2019/20 decreased by £0.4m to £7.8m (2019 - £8.1m) all of which was spent on charitable activities. Most of this reduction in expenditure has been due to COVID-19. Meetings, conferences and events have all been cancelled due to COVID-19 and this has resulted in lower costs and income in the year.

There was a net loss on investments of £1.5m (2019 - £0.4m loss) making the net loss for the year of £1m (2019 - £0.1m net gain) which has been deducted from funds brought forward and this results in the total charitable funds of RCOT decreasing to £14.1m (2019 - £15.1m).

Reserves

RCOT's unrestricted and undesignated funds amounted to £11.1m of which £1.6m is invested in fixed assets. This left £9.5m as free reserves for working capital needs at 30th September 2020.

This level of free reserves is within the level set out in RCOT's policy, which is a range of 26 - 52 weeks of future budgeted expenditure as an acceptable level for reserves.

Fundraising

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

Investments

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

Part of RCOT's investments are invested with professional investment fund managers. RCOT splits its investment between three fund managers: WH Ireland, HSBC Private Bank and Close Brothers. The investment portfolios have seen significant drops since the start of the coronavirus crisis with the total value of the portfolios falling from £9.2m to £7.8m at 30th September 2020. Funds are also invested in short term cash deposits. £2.7m is invested with Bank of Scotland in a 32 day account.

STRATEGIC REPORT – continued

Investments - continued

This strategy will avoid undue speculation and investments that are deemed to be illiquid. Council has reviewed its policy on ethical investments and confirmed its decision not to hold any investments in arms and tobacco companies.

Plans for Future Periods

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

One opportunity presented by the COVID-19 crisis for the occupational therapy profession is the recognition by society of the importance and value of rehabilitation, which occupational therapists are highly skilled in delivering and something those who have survived COVID-19 and many others whose health care needs have been put on hold, desperately need. It is therefore likely that the unique contributions of occupational therapists in delivering rehabilitation services will be the focus of much of the RCOT's work for next year to 18 months. In addition, RCOT will concentrate on continuing to attract student members and then converting them to full membership upon graduation despite the fact that COVID-19 has meant some students have transitioned into the workplace earlier than expected.

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

Principal Risks and Uncertainties

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

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

STRATEGIC REPORT - continued

Principal Risks and Uncertainties - continued

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

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

STATEMENT OF COUNCIL'S RESPONSIBILITIES

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

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

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

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

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

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



BY ORDER OF COUNCIL
Chairman – Professor Diane Cox
15 April 2021

106-114 Borough High Street
London, SE1 1LB

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

Opinion

We have audited the financial statements of the Royal College of Occupational Therapists ("the Charitable Company") for the year ended 30 September 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 30 September 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Council's Responsibilities, the Council Members (who are the trustees and also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

D1FB52C82A114D7...

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

Date 29 June 2021

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

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure Account) for the year ended 30 September 2020

| | | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------------|-------------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------|
| Incoming and Endowments from: | Note | | | | | |
| Charitable activities | | | | | | |
| Membership subscriptions | | 6,883 | 130 | - | 7,013 | 6,725 |
| Journals | | 552 | 34 | - | 586 | 607 |
| Conferences and events | | 21 | 97 | - | 118 | 570 |
| Professional activities | | 152 | - | - | 152 | 181 |
| Investments | | 222 | - | - | 222 | 330 |
| Other | | 235 | - | - | 235 | 158 |
| Total | | 8,065 | 261 | - | 8,326 | 8,571 |
| Expenditure on: | | | | | | |
| Charitable activities | | | | | | |
| Membership administration | | 505 | 38 | - | 543 | 556 |
| Journals | | 843 | 38 | - | 881 | 876 |
| Conferences and events | | 1,831 | 86 | - | 1,917 | 2,290 |
| Professional activities | | 3,997 | 429 | - | 4,426 | 4,334 |
| Other activities | | | | | | |
| Pension buy out costs | 8 | - | - | - | - | - |
| Total | 2 | 7,176 | 591 | - | 7,767 | 8,056 |
| Net (losses) on investments | 11 | (1,519) | - | - | (1,519) | (411) |
| Net (loss)/income | | (630) | (330) | - | (960) | 104 |
| Transfer between funds | 16 | (198) | 198 | - | - | - |
| Net movement in funds | | (828) | (132) | - | (960) | 104 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward at 1 October | | 11,946 | 3,125 | 30 | 15,101 | 14,997 |
| Total funds carried forward at 30 September | | 11,118 | 2,993 | 30 | 14,141 | 15,101 |

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

The surplus for the year for Companies Act purposes was a gain of £574,875 comprising net incoming resources for the year of £559,759 plus the realised gains on investments of £15,116 (2019: gain of £572,877 comprising net incoming resources of £514,650 plus the realised gain on investments of £58,227).

BALANCE SHEET at 30 September 2020

Company House Number: 01347374

| | Note | 2020 £000 | 2019 £000 |
|-------------------------------------|------|----------------------|----------------------|
| Fixed Assets | | | |
| Tangible assets | 10 | 1,614 | 1,654 |
| Investments | 11 | 7,811 | 9,186 |
| | | <u>9,425</u> | <u>10,840</u> |
| Current Assets | | | |
| Debtors | 12 | 1,524 | 822 |
| Cash held as liquid investment | 19 | 2,714 | 3,698 |
| Cash at bank and in hand | 19 | 1,280 | 682 |
| | | <u>5,518</u> | <u>5,202</u> |
| Creditors | | | |
| Amounts falling due within one year | 13 | (802) | (941) |
| | | <u></u> | <u></u> |
| NET CURRENT ASSETS | | 4,716 | 4,261 |
| Pension scheme liability | | - | - |
| NET ASSETS | 17 | <u>14,141</u> | <u>15,101</u> |
| Share Capital | 14 | - | - |
| Funds | | | |
| Restricted | 15 | 30 | 30 |
| Designated - Pension Scheme | 16 | 1,156 | 1,156 |
| - Other | | 1,837 | 1,969 |
| Unrestricted | | <u>11,118</u> | <u>11,946</u> |
| CAPITAL and RESERVES | | <u>14,141</u> | <u>15,101</u> |

Approved by Council and authorised for issue on 15 April 2021



Professor Diane Cox
Chairman



Kim Atkinson
Vice Chairman

CASH FLOW STATEMENT for the year ended 30 September 2020

Statement of cash flows

| | Note | 2020 £000 | 2019 £000 |
|--|-------------|----------------------|----------------------|
| Net cash inflow used in operating activities | | (270) | (179) |
| Cash flows from investing activities | | | |
| Investment income | | 202 | 330 |
| Amounts paid to acquire investments | | (3,898) | (2,138) |
| Amounts received on disposal of investments | | 3,049 | 2,515 |
| Amounts paid to acquire tangible fixed assets | | (174) | (53) |
| Net cash (used in)from investing activities | | (1,091) | 475 |
| Change in cash and cash equivalents for the year ended 30 September | | (1,091) | 475 |
| Cash and cash equivalents at the beginning of the reporting period | | 5,336 | 4,861 |
| Cash and cash equivalents for the year ended 30 September | 19 | 4,245 | 5,336 |
| Reconciliation of net income to net cash flow from operating activities | | | |
| Net (loss)income at 30 September as per the SOFA | | (960) | 104 |
| Adjustments for: | | | |
| Depreciation | | 214 | 189 |
| Gains on investments | | 1,519 | 411 |
| Increase/(decrease) in pension fund | | - | - |
| Investment income | | (202) | (330) |
| (Decrease) in debtors | | (702) | (309) |
| (Decrease) in creditors | | (139) | (244) |
| Net cash used in operating activities | | (270) | (179) |

NOTES TO FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

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

a) *Basis of Accounting*

The financial statements have been prepared under the historical cost convention as modified by the valuation of fixed asset investments and in accordance with applicable accounting standards having regard to the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), Companies Act 2006 and Charity and Trustees Investment (Scotland) Act 2005. Results of Specialist Sections and Regions are aggregated in the financial statements.

b) *Going Concern*

The main income stream of the company is membership subscriptions, these account for 84% of income. As most of the members work in the healthcare sector (NHS or local government) the company does not believe that there will any be significant reduction in membership numbers. Member numbers in fact continue to increase going from 33,034 in 2019 to 33,717 in 2020. Other income streams including advertising, event income and interest are expected to continue at a lower level throughout the year to 30th September 2021. These are then expected to recover to some extent as society reopens following the vaccine rollout.

The company's investments have however been impacted by the COVID-19 crisis and have declined by £0.4m since 30 September 2019. The company remains well financed with £5m in cash and £8.7m in investments as at 31 December 2020. The investments are not needed for the operational activities of the company. The company's only significant liability is the defined benefit pension scheme, and this is fully funded with the exception of the final payment to Aviva which amounts to £1.2m.

NOTES TO FINANCIAL STATEMENTS - continued

1. PRINCIPAL ACCOUNTING POLICIES - continued

c) *Incoming Resources*

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

Of the total membership subscriptions received by BAOT, 19% (2019 - 19%) is retained to meet industrial relations and administrative costs. The balance of 81% (2019 - 81%) is transferred to RCOT to support its activities.

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

d) *Resources Expended*

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

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

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

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

NOTES TO FINANCIAL STATEMENTS – continued

1. PRINCIPAL ACCOUNTING POLICIES - continued

e) *Fixed Assets and Depreciation*

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

| | | |
|--------------------------------------|--------|-------------------|
| Freehold Premises | 2% | per annum on cost |
| Building Improvements | 5% | per annum on cost |
| Fixtures and Fittings– new purchases | 10% | per annum on cost |
| Office Equipment | 20% | per annum on cost |
| IT Equipment | 33.33% | per annum on cost |
| Freehold land is not depreciated. | | |

f) *Investments*

Investments are included in the balance sheet at market value and any unrealised gains or losses are included in the Income and Expenditure Account.

g) *Funds*

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

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

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

h) *Liquid resources*

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

NOTES TO FINANCIAL STATEMENTS - continued

1. PRINCIPAL ACCOUNTING POLICIES – continued

i) Pensions

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

j) Recognition of Liabilities

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

k) Grants

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

NOTES TO FINANCIAL STATEMENTS - continued

2. CHARITABLE ACTIVITIES

| | Direct Costs £000 | Support Costs £000 | Total 2020 £000 | Total 2019 £000 |
|------------------------------------|-------------------------|--------------------------|-----------------------|-----------------------|
| Unrestricted Funds | | | | |
| Membership subscriptions | 300 | 205 | 505 | 521 |
| Journals | 664 | 179 | 843 | 842 |
| Conferences and events | 1,287 | 544 | 1,831 | 2,186 |
| Professional activities | 2,467 | 1,530 | 3,997 | 4,093 |
| Total Unrestricted | 4,718 | 2,458 | 7,176 | 7,642 |
| Designated Funds | | | | |
| Membership subscriptions | 38 | - | 38 | 35 |
| Journals | 38 | - | 38 | 34 |
| Conferences and events | 86 | - | 86 | 104 |
| Professional activities | 429 | - | 429 | 236 |
| Total Designated | 591 | - | 591 | 409 |
| Restricted Funds | | | | |
| Professional activities | - | - | - | 5 |
| Total Charitable Activities | 5,309 | 2,458 | 7,767 | 8,056 |

3. SUPPORT COSTS

| | 2020 £000 | 2019 £000 |
|-------------------------------|--------------|--------------|
| Staffing Costs | 1,155 | 1,025 |
| Facilities and Infrastructure | 528 | 496 |
| Depreciation | 214 | 189 |
| General Administration | 561 | 888 |
| Total Support Costs | 2,458 | 2,598 |

4. AUDITORS' FEES

The audit fee of RCOT's auditors is £18,500 (2019 - £17,925) for audit work.

NOTES TO FINANCIAL STATEMENTS - continued

5. STAFF COSTS

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Salaries | 3,420 | 3,153 |
| Social Security costs | 374 | 349 |
| Pension costs | 291 | 264 |
| Employee benefits | 113 | 106 |
| Sub-total - cost of staff employed | 4,198 | 3,872 |
| Temporary Staff | 265 | 172 |
| Recruitment | 63 | 59 |
| Training | 25 | 23 |
| Other Staff costs | - | 3 |
| Total Staffing Costs | 4,551 | 4,129 |

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

| | 2020 number | 2019 number |
|-----------------------|----------------|----------------|
| Charitable activities | 66 | 64 |
| Support activities | 12 | 12 |
| | 78 | 76 |

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

| | 2020 number | 2019 number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 2 | 4 |
| £80,001 - £90,000 | 4 | 2 |
| £100,000 - £110,000 | 1 | 1 |

NOTES TO FINANCIAL STATEMENTS – continued

5. STAFF COSTS - continued

Remuneration and benefits paid to key employees during the year:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Salary costs | 586 | 571 |
| Social Security costs | 72 | 70 |
| Pension contributions | 53 | 51 |
| Other Employee benefits | 10 | 13 |
| Total remuneration and benefits | 721 | 705 |

6. COUNCIL MEMBERS

All Council members can claim for travel, subsistence and other expenses. The total amount of expenses reimbursed to 9 Council members during the year was £12,351 (2019 – 9 Council members reimbursed £22,111). Council members did not receive any remuneration for carrying out duties as trustees/directors.

RCOT paid £4,124 (2019 - £4,054) to provide Charity Trustee insurance cover.

7. TAXATION

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

8. PENSION BUY OUT

In December 2017 RCOT, the pension scheme Trustees of the Federated Pension Scheme for British Association of Occupational Therapists Limited and Aviva Life & Pensions UK Limited agreed to the buyout of the defined benefit pension scheme. An advanced payment of £3,479,000 was paid in December 2017 with the balance of £1,156,000 payable in May 2021.

NOTES TO FINANCIAL STATEMENTS - continued

9. PENSION COSTS

RCOT operated a defined benefit pension scheme for qualifying employees in the UK. This scheme closed in June 2014 to all new entrants and further accrual. The disclosures set out below are based on calculations carried out as at 30 September 2020 by a qualified independent actuary.

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

| | 30/09/2020 | 30/09/2019 |
|---|------------|------------|
| Discount Rate | 1.60% | 1.85% |
| Expected return on scheme assets | 1.60% | 1.85% |
| Pension increases in payment at the 5% LPI rate based on RPI | 3.00% | 3.40% |
| Pension increase in payment at the 2.5% LPI rate based on RPI | 2.15% | 2.30% |
| RPI | 3.05% | 3.55% |
| CPI | 2.35% | 2.55% |

Expected Return on Assets

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

| | At 30/09/2020 | At 30/09/2019 |
|-----------------------------------|---------------|---------------|
| | Value £000 | Value £000 |
| Insured Annuity Contracts | 18,110 | 18,562 |
| Cash/ Other | 36 | 56 |
| Total Fair Value of Assets | 18,146 | 18,618 |

NOTES TO FINANCIAL STATEMENTS - continued

9. PENSION COSTS - continued

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

| | 30/09/2020 £000 | 30/09/2019 £000 |
|---|--------------------|--------------------|
| Fair Value of Assets | 18,146 | 18,618 |
| Value of Liabilities (defined benefit obligation) | (18,109) | (18,559) |
| Funded status | 37 | 59 |
| Surplus restriction | (37) | (59) |
| Recognised Pension Liability | - | - |

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

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

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

| | 30/09/2020 £000 | 30/09/2019 £000 |
|--|--------------------|--------------------|
| Interest cost on obligation | (1) | (1) |
| Restriction on expected return on assets | 1 | 1 |
| Total SOFA Charge | - | - |

NOTES TO FINANCIAL STATEMENTS - continued

9. PENSION COSTS - continued

Changes in the present value of the defined benefit obligation

| | 30/09/2020 £000 | 30/09/2019 £000 |
|---|--------------------|--------------------|
| Opening defined benefit obligation | 18,559 | 14,610 |
| Interest cost on obligation | 340 | 422 |
| Remeasurement (gains) and losses – actuarial (gains) and losses | (450) | 4,056 |
| Benefits paid | (340) | (529) |
| Closing defined benefit obligation | 18,109 | 18,559 |

Changes in the fair value of Scheme Assets

| | 30/09/2020 £000 | 30/09/2019 £000 |
|--|--------------------|--------------------|
| Opening fair value of Scheme Assets | 18,618 | 14,658 |
| Interest income | 341 | 424 |
| Remeasurement (losses)/gains – return on scheme assets excluding interest income | (473) | 4,065 |
| Benefits paid | (340) | (529) |
| Closing fair value of Scheme Assets | 18,146 | 18,618 |

Total amount taken to Other Comprehensive Income

| | 30/09/2020 £000 | 30/09/2019 £000 |
|--|--------------------|--------------------|
| Actuarial return on scheme assets – (losses)/gains | (132) | 4,489 |
| Less: amounts included in net interest on the defined benefit liability | (341) | (424) |
| Remeasurement (losses)/gains – Return on scheme assets excluding interest income | (473) | 4,065 |
| Remeasurement gains/(losses) – actuarial gains and (losses) | 450 | (4,056) |
| Surplus restriction | 23 | (9) |
| Remeasurement (gains)/losses recognised in other comprehensive income | - | - |

NOTES TO FINANCIAL STATEMENTS - continued

10. TANGIBLE FIXED ASSETS

| | Freehold Premises £000 | Building Improvement £000 | Fixtures & Fittings £000 | Office Equipment £000 | IT Equipment £000 | Total £000 |
|---------------------------------|------------------------------|---------------------------------|--------------------------------|-----------------------------|-------------------------|---------------|
| Cost | | | | | | |
| At 1 October 2019 | 1,046 | 1,603 | 614 | 242 | 229 | 3,734 |
| Additions during year | - | - | - | 6 | 168 | 174 |
| Disposals | - | - | - | (3) | (79) | (82) |
| At 30 September 2020 | 1,046 | 1,603 | 614 | 245 | 318 | 3,826 |
| Depreciation | | | | | | |
| At 1 October 2019 | 460 | 695 | 531 | 187 | 207 | 2,080 |
| Charge for the year | 21 | 80 | 53 | 16 | 44 | 214 |
| Released on disposal | - | - | - | (3) | (79) | (82) |
| At 30 September 2020 | 481 | 775 | 584 | 200 | 172 | 2,212 |
| Net Book Value | | | | | | |
| At 30 September 2020 | 565 | 828 | 30 | 45 | 146 | 1,614 |
| At 30 September 2019 | 586 | 908 | 83 | 55 | 22 | 1,654 |

All assets are used for the charitable activities of RCOT.

There was no amount of capital authorised and contracted for as at 30 September 2020.

NOTES TO FINANCIAL STATEMENTS – continued

11. FIXED ASSET INVESTMENTS

| | Market Value 1/10/19 £000 | Additions £000 | Disposal Proceeds £000 | Net (losses) £000 | Market Value 30/9/20 £000 |
|--------------------------------------|------------------------------------|-------------------|------------------------------|-------------------------|------------------------------------|
| UK Equities | 3,968 | 1,983 | (1,229) | (1,188) | 3,274 |
| Alternatives | 798 | 347 | (193) | (26) | 926 |
| Fixed Income | 1,084 | 897 | (601) | (19) | 1,366 |
| Overseas Equities | 2,380 | 671 | (1026) | (286) | 1,994 |
| Sub-total | 8,230 | 3,898 | (3,049) | (1,519) | 7,560 |
| Cash held in investment portfolio | 956 | | | | 251 |
| TOTAL | 9,186 | | | | 7,811 |

The total cost of investments held by RCOT at 30 September 2020 was £9,131,302 (2019: £8,971,669).

NOTES TO FINANCIAL STATEMENTS - continued

12. DEBTORS

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Amounts due within one year | | |
| Trade Debtors | 58 | 46 |
| Other Debtors | 14 | 14 |
| Taxes & Social Security | 62 | - |
| Prepayments and Accrued Income | 338 | 350 |
| Parent | 1,052 | 412 |
| | <u>1,524</u> | <u>822</u> |

13. CREDITORS

| | 2020 £000 | 2019 £000 |
|------------------------------------|--------------|--------------|
| Amounts due within one year | | |
| Trade Creditors | 157 | 261 |
| Taxes & Social Security | 152 | 213 |
| Pension scheme | 42 | - |
| Accruals & Deferred Income | 451 | 467 |
| | <u>802</u> | <u>941</u> |

The amount of Deferred Income at the beginning of the year was £296,103. During the year, the whole of this amount was released to the SOFA, while a further £48,289 of income was created. The balance of Deferred Income at 30 September 2020 was £48,289.

14. SHARE CAPITAL

| | 2020 £ | 2019 £ |
|--|------------|------------|
| Authorised Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted and fully paid Ordinary shares of £1 each | <u>3</u> | <u>3</u> |

NOTES TO FINANCIAL STATEMENTS – continued

15. RESTRICTED FUNDS

| | Balance 1/10/19 £000 | Incoming Resources £000 | Resources Expended £000 | Balance 30/9/20 £000 |
|---------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|
| ISP Annual Award | 26 | - | - | 26 |
| ISP Scholarship | 1 | - | - | 1 |
| Elizabeth Casson | 1 | - | - | 1 |
| Elizabeth Casson PD | 2 | - | - | 2 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 30 | - | - | 30 |

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

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

NOTES TO FINANCIAL STATEMENTS - continued

16. DESIGNATED FUNDS

| | Balance 1/10/19 £000 | Incoming Resources £000 | Resources Expended £000 | Transfers £000 | Balance 30/9/20 £000 |
|------------------|----------------------------|-------------------------------|-------------------------------|-------------------|----------------------------|
| Pension scheme | 1,156 | - | - | - | 1,156 |
| College Branches | 607 | 261 | (184) | 48 | 732 |
| CRM Project | 1,105 | - | (351) | - | 754 |
| UKOTRF | 257 | - | (55) | 150 | 352 |
| | <u>3,125</u> | <u>261</u> | <u>(590)</u> | <u>198</u> | <u>2,994</u> |

The pension scheme funds are to cover the balance of £1,156,000 owed to Aviva upon completion of the buyout.

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

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

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible Fixed Assets £000 | Investments £000 | Net Current Assets £000 | Total £000 |
|--------------------|-------------------------------------|---------------------|----------------------------------|---------------|
| Restricted Funds | - | - | 30 | 30 |
| Designated Funds | - | - | 2,994 | 2,994 |
| Unrestricted Funds | 1,614 | 7,811 | 1,692 | 11,117 |
| | <u>1,614</u> | <u>7,811</u> | <u>4,716</u> | <u>14,141</u> |

NOTES TO FINANCIAL STATEMENTS - continued

18. RECONCILIATION OF MOVEMENT IN SHARE CAPITAL AND CHARITABLE FUNDS

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Net (deficit)/surplus for the financial year | (960) | 104 |
| Shareholders' funds at 1 October | 15,101 | 14,997 |
| Shareholders' funds at 30 September | 14,141 | 15,101 |

19. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 October 2019 £000 | Cashflows £000 | At 30 September 2020 £000 |
|-----------------------------------|---------------------------------|-------------------|------------------------------------|
| Cash at bank and in hand | 682 | 598 | 1,280 |
| Cash held as liquid investment | 3,698 | (984) | 2,714 |
| Cash held in investment portfolio | 956 | (705) | 251 |
| | 5,336 | (1,091) | 4,245 |

NOTES TO FINANCIAL STATEMENTS - continued

20. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

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

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

Company number: 00392350

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

21. RELATED PARTIES

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

