

Royal College of Occupational Therapists

Annual Report of Council
30 September 2021

RCOT Charity Registration Number 275119

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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 ('RCOT') for the year ended 30 September 2021. The financial statements comply with the Statement of Recommended Practice for Accounting and Reporting by Charities ('FRS 102') applicable accounting standards and the Companies Act 2006.

Report of the Chair of Council

What a year 2020/21 has been. Throughout the year, RCOT promoted the fantastic work our members do and increased the importance and profile of the profession. It's amazing to look back and see just how much we all achieved together.

In November 2020, Dr Jenny Preston MBE delivered the Elizabeth Casson Memorial Lecture 2020: Re-engineering truth and certainty in occupational therapy. The lecture was held virtually for the first time and was watched by 1,113 people.

In April 2021, we welcomed our new Chief Executive, Steve Ford. During the year, he was busy (and still is) finding out about the great work you have all been doing across the UK with his #TalktoSteve conversations. I know how important those discussions have been to the formulation of RCOT's new strategy.

In June 2021, our Annual Conference was held online, for the first time. Over 1,600 occupational therapy professionals and learners took part. We featured an impressive lineup of speakers, including Professor Sir Michael G Marmot who spoke passionately about health equity and Professor Sally Singh who engaged the audience on the growing need for digital interventions to support rehabilitation and recovery.

We've also upped our game around social media and more open engagement with members and stakeholders. While there is still more work to do, we now have more than 35,000 members across the UK, and our voice as a professional body is stronger and louder than ever! Over 100,000 people visited our website every month, our social media following continued to grow with over 37,000 followers on Twitter and there were thousands of articles in the UK media covering the work occupational therapists are doing. It was also fantastic to see 2,834 students - the next generation of occupational therapists - start our accredited pre-registration occupational therapy programmes.

As the COVID pandemic sadly continued, there is no doubt 2020/21 was an extremely challenging time for all. Many of our members were, and still are, on the front line supporting people with the virus and those with Long Covid. But positively, a light has been shone on the crucial role our profession plays in health and social care across the UK, and I am immensely proud of the work you are doing.

Professor Diane Cox, RCOT Chair of Council



Report of the Chief Executive

This has been another challenging year for everyone working in health and social care. Despite this, RCOT and our members have made huge strides. Thank you all for your brilliant work! Despite the difficulties caused by the COVID pandemic, this past business year was full of successes.

During Occupational Therapy Week 2020, we launched our #ChooseOT campaign to inspire the next generation of occupational therapists. The response we saw was fantastic and at the time our campaign was the most successful to date. The campaign hashtag had a reach of over 6.5 million in one month alone and the campaign website received over 19,000 views. The #ChooseOT social wall also received over 3,000 views.

In Scotland and Wales, we produced manifestoes ahead of the Scottish Parliament and Welsh Senedd elections to help our members engage with their local candidates. As part of our campaign to lead the way in making occupational therapy a more inclusive profession, we appointed Ketan Davé as our Equity, Diversity and Belonging Manager.

As well as taking stock, it's important to look to the future. For RCOT and our members, this is our new five-year strategy, brand and organisational values. Our vision is clear – we want people everywhere to value the life-changing power of occupational therapy. We will work in close partnership with our members to show the world the potential of occupational therapy to increase wellbeing right across our society.

Our focus is now on the implementation of the strategy. We've established a bold agenda for the year ahead with a number of projects intended to deliver a significant change in how we operate both internally and externally. One key element of the strategy has already been delivered. We launched our new customer relationship management system in November 2021, giving us a strong platform to improve how we interact with members. It will also help us make better data-driven and insight-informed decisions. We have also strengthened our arrangements for IT and have developed options for the future of our headquarters in this world of hybrid working.

All these are the building blocks for us to become the dynamic organisation our members want and need. My colleagues and I are excited by our ambitious agenda, and I look forward to reporting our progress next year.

Steve Ford, RCOT Chief Executive



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 (retired 21/9/2021)

Dr Kee Hean Lim (appointed 21/09/21)

Capacity

Chair

Industrial Relations

International Affairs

RCOT Board: Wales

RCOT Board: Northern Ireland

RCOT Board: Scotland

RCOT Board: England

Council member

Professor Diane Cox

Cathryn Holding

Dr Kee Hean Lim

Kim Atkinson (retired 21/09/21)

Vacant from 21/09/21

Lena Canavan (retired 21/09/21)

Vacant from 21/09/21

Fiona Warrender (retired 21/09/21)

Samantha Flower (appointed 21/09/21)

Alison Wilcox (retired 21/09/21)

Kalimah Ibrahiim (appointed 21/09/21)

Capacity

RCOT Board: Research and Development

RCOT Board: Learning and Development

Council member

Dr Duncan Pentland

Lisa Ledger

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 nos. England and Wales 275119
Scotland SCO39573

Company registration no 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 6 and 7 of this report.

Company secretary Julia Scott (resigned 28/02/21)
Steve Ford (appointed 06/04/21)

Business Management Group (Senior Leadership Team)

Chief Executive	Julia Scott (resigned 28/02/21) Steve Ford (appointed 06/04/21)
Director of Human Resources	Diana Atkinson
Director of Professional Operations	Karin Bishop
Director of Finance and Corporate Services	Trevor White (resigned 31/08/21) Simon Leicester (appointed 16/08/21)
Assistant Director, Professional Practice	Karin Orman
Assistant Director, Communications and Marketing	Clare Cochrane
Assistant Director, Education & Research	Dr. Joanne Watson

Professional Advisors

Auditors BDO LLP
55 Baker Street
London W1U 7EU

Bankers HSBC Bank PLC
15-17 Praed Street
Paddington
London W2 1PP

Solicitors	DAC Beachcroft LLP 25 Walbrook London EC4N 8AF
Fund managers	Close Brothers Asset Management (part of Close Brothers Group plc) 10 Crown Place London EC2A 4FT W H Ireland Ltd 24 Martin Lane London EC4R 0DR HSBC Private Banking 8 Cork Street London W1S 3LJ
Insurance brokers	Towergate Underwriting Group Ltd 2 Minster Court, Mincing Lane London EC3R 7PD AON UK Ltd 122 Leadenhall Street London EC3V 4AN
Pension providers - Defined Contribution Scheme	Legal and General Pensions Ltd (part of Legal & General Group plc) 1 Coleman Street London EC2R 5AA
Pension providers - Defined Benefit Scheme (closed in 2014 to contributors)	Aviva Life & Pensions UK Ltd Wellington Row York YO90 1WR

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 United Kingdom (UK).

Recruitment and appointment of Council Members

The composition, appointment, election and retirement of Council members 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 date. Because of the staggered nature of their appointment term, there will be some Council members who come to the end of their term of office every year. Nominations for new Council members have to be received by 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, to meet the Chair and senior officers of RCOT. The new Council members receive various presentations, particularly regarding their legal and financial responsibilities. They are also briefed on the organisation's policy on conflicts 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 interest or concern.

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

All these procedures are kept under regular review.

Organisational structure

Council members meet together as a Council four times a year in; January, April, June and September. In addition, there are Boards and Committees that report into Council. These operate under their agreed Terms of Reference. The Boards and Committees comprise a mixture of Council members and other serving non-executive directors who are recruited because of their professional and functional expertise. The Audit, Investment and Risk Committee will meet four times a year in the 2021/22 year but by agreement of Council, met three times a year in the 2020/2021 year.

Council's principal responsibilities are overseeing; governance, strategy, planning and significant operational decisions. Council has delegated day-to day management of the organisation to the Chief Executive, supported by a group of senior managers (the business management group).

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 remuneration of key management personnel in accordance with the RCOT pay and benefits reviews undertaken and then endorsed by Council. The objective is to ensure that RCOT salaries for all grades of employees remain market competitive and within the median range for the Not for Profit sector and SME business sector in London. All salaries within RCOT are evaluated into an established job evaluation pay grade structure run by an independent, external human resource consultancy organisation.

Strategic report

Objectives and activities

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

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 UK. It seeks to achieve this by ensuring that:

- The occupational therapy profession is focussed 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 ('CPD') guidance and advice that helps them optimise their competencies and so provide high quality care for 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 2018-2023, 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.
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. To seek RCOT's input across a range of sectors, including new and developing areas of practice.

3. Ensure RCOT is a thriving organisation, within which its members can 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 launched a new high level strategy (Build Up, Lift Up, Rise Up and Open Up) in January 2022 to coincide with a launch of the new RCOT values (Respect, Impact, Challenge and Elevate) and Brand refresh. The strategic initiative projects, approved by the Council in October 2021 as part of the budget and planning process, were then linked to the high level strategy.

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 approximately 350 volunteers supporting 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 RCOT activities.

Achievements and performance

Each year, Council approves a business plan, which is then broken down into individual group, project 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. RCOT compares its membership to the public register of occupational therapists held by the Health and Care Professionals Council ('HCPC') in order to provide a relevant estimate of 'market share'. Historically, the Professional market share (excludes overseas, associate, retired and student members) has remained in the range of 70-75%. The Professional market share as at 30 September 2021 was 73%.

Some of the more notable achievements in the year relating to RCOT's charitable activities were:

- 1. Public benefit** – RCOT is very aware of its responsibilities to demonstrate that its activities benefit the public. Hence:
 - In 2021, RCOT received and responded to 2,379 enquiries (2020 2,235), an increase of 6.4%. Of these, 404 were from non members. Of the 404 enquiries from non members, 302 of these were from members of the public looking for an independent occupational therapist.
 - Ongoing collaboration with a range of government agencies and charities enables RCOT to raise awareness of occupational therapy to wider audiences.
 - Whilst the challenges of COVID-19 have been significant for all health and care workforce groups, the pandemic emphasised the distinct value of occupational therapy in relation to acute care, rehabilitation and safe discharge, as reported via various public-facing media.
 - During the financial year, RCOT supported four coalitions and alliances on key policy areas such as rehabilitation, social care, disabled children and the international workforce.
 - RCOT continued to set the standards, requirements of practice, professional values and behaviours, across the profession, by continually developing professional education, practice standards, as well as codes of behaviour and ethical conduct.
- 2. 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 working groups on significant pieces of new legislation. During 2021, RCOT received 82 requests to engage in high level Government or key stakeholder meetings, across all four nations of the UK.

- For Occupational Therapy Week 2020 we launched the #ChooseOT campaign, to inspire future occupational therapists. Over the week, we achieved a 5.4 million social media reach for #ChooseOT and 3.5 million for #OTWeek. Our members shared over 2,300 stories on social media about why they love being occupational therapists, and some also reached out to schools giving virtual presentations to students.

The week saw the start of our paid for social media campaign and the launch of our dedicated careers website, www.chooseot.co.uk, which received over 6,000 views in the first two weeks.

- Despite the limitations imposed by COVID-19, membership continues to grow and has increased in net terms by 1,361 members during the financial year. During the year, RCOT worked with a total of 46 education providers, of which 7 were new to providing pre-registration occupational therapy education.

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 the 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.

The professional body is not the official regulator of occupational therapist as a title protected in statute. This role is performed by the Health and Care Professions Council ('HCPC'). Occupational therapists who wish to practise have to pay registration fees to the HCPC and then decide whether they wish to join the membership professional body (RCOT).

Business governance activities have continued as planned throughout the 2020/21 year, but most have been conducted via virtual meetings or hybrid in-person/virtual meetings, such as the June AGM meeting and Council meetings.

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

Key performance indicators

There are three fundamental KPIs, each relating to membership in some way:

Total membership numbers – by category of membership. There was a total membership of 35,078 at 30 September 2021 (2020: 33,717), a net increase of 4% over the previous year.

Market share – the organisation compares its membership to the public register of occupational therapists held by the Health and Care Professionals Council ('HCPC') in order to provide a relevant estimate of 'market share'. Historically, the Professional market share (excludes overseas, associate, retired and student members) has remained in the range of 70-75%. The Professional market share at 30 September 2021 was 73%.

Financial sustainability – this measures the amount of budgeted expenditure that is covered by membership subscriptions. The percentage for this year's accounts is 83% (2020 91%), which is a reduction 8% from the previous year. Although membership subscription increased by £0.218M expenditures went up by £0.938M, hence the reduction in the percentage. The amount of expenditure not covered by membership subscriptions has to be generated from other sources of income such as commercial income sources.

Financial review

Council report that RCOT total income for the year 2020/21 was £8.39M (2020: £8.3M). Membership subscriptions are initially paid to BAOT, which has an agreement with UNISON to provide industrial relations services.

After payment of the costs of industrial relations services, BAOT transfers the balance of member subscriptions to its RCOT subsidiary, to further the work of the College. In addition, RCOT earns a minor level of income from other sources. This year, the balance of subscriptions transferred increased by 3% to £7.2M (2020: £7M).

The total expenditure by RCOT for the year 2020/21 increased by £0.94M to £8.7M (2020: £7.8M), all of which was spent on charitable activities.

There was a net unrealised gain on investment funds of £1.84M (2020: £1.5M unrealised loss), which has been added to funds brought forward. This results in total charitable funds of RCOT increasing to £15.68M (2020: £14.1M).

Reserves

RCOT's unrestricted and undesignated funds amounted to £13.33M (2020: £11.1M), of which £1.4M is the net book value of fixed assets. This left £11.91M as free reserves for working capital needs and investments, at 30th September 2021. This level of free reserves is within the level set out in RCOT's Reserves Policy, which is set at the range of 26-52 weeks of future budgeted expenditure.

At the October 2021 Council Meeting, the Reserves Policy was amended to the equivalent of 26 weeks of future budgeted expenditure.

Fundraising

RCOT does not actively fundraise but does periodically bid for research funding on a modest scale. No donations were received during the year.

Investments

Under the terms of the Memorandum of Association, RCOT has the power to invest funds not immediately required to support charitable activities. The Council has approved an Investments Policy, outlining parameters for ethical, social and governance investing as well as guidelines on risk and return.

RCOT's investments are managed by three professional fund management firms; Close Brothers, HSBC Private Bank and WH Ireland. The funds each manage diversified portfolios of investments, typically including fixed-term income products and equities. The total investment portfolio market value was £9,747,000 at 30 September 2021 (2020: £7,811,000).

Plans for future periods

Following the appointment of a new Chief Executive in April 2021, work was done to develop a series of strategic initiative projects. Details of the new strategic initiative projects were presented to the Council at its October 2021 meeting as part of the budget and planning process and approved in full. The strategic initiative projects will be progressively implemented over the next five years. Project funding will come mostly from a combination of unrestricted reserves and some growth in future income streams. At its October meeting, the Council reviewed the plans to part-fund strategic initiative projects from reserves in relation to the existing Reserves Policy, to ensure continued compliance with that policy.

Post-balance date plans include simplifying investment funds management – the rationalisation of three investment management firms down to one firm with revised investment management targets. The Investment Policy, with investment performance targets was approved in October by the Council.

Regarding future ways of working, the post-pandemic-lockdown expectation is that we will continue flexible working practices (a combination of home and office-based working) and hosting virtual events. Future use of the building is also being actively considered, including the likely use of hot-desking and renting out surplus office space to external parties.

Future fee changes are also likely (fee structure simplification and fee changes), but the expectation is that such changes will partner with membership offer improvements.

Principal risks and uncertainties

RCOT incorporates the management of risk into its decision-making processes, including function management, project management and contract management.

Council has agreed that the Audit Committee (renamed the Audit, Investment and Risk Committee in October 2021) undertakes the detailed task of monitoring the major risks, assessing their likely impact and likelihood and the risk mitigations employed to manage such risks. The Audit Committee comprises 5 members, consisting of 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.

The revamped Organisational Risk Register includes designated risk owners, red/amber/yellow/green rated risks (red being the highest score risks), gross and net risk scores and a list of risk mitigations. At the October Audit Committee meeting, it was reported that there were no red net risks, six amber net risks, seven yellow net risks and one green net risk. The net score is after mitigations are applied.

The amber-scored risks are as follows. Covid and Brexit risks have been managed as features of the granular risks in the Risk Register, as appropriate.

Risk title	Risk explanation
Complexity in the Change Portfolio	The organisation is embarking upon a complex and comprehensive change programme (e.g. in digital - CRM implementation, website rebuild, content management system & virtual networking platform). These will combine process & technology change, involving multiple stakeholders. The organisation has not been used to managing or resourcing complex, multi-year change programmes.
Failure of the Financial Model	Decline in capital value of funds invested. Inability to grow commercial income sources to help fund projects.
Organisational Governance	Skills of Council members and staff to provide effective governance in delivering the strategy.
Decline in Membership	The membership offer may not be compelling enough, or member emerging needs not met. Competitive threats (partial substitutes) may emerge.
Data Governance & Data Security	Cyber threats, accidental data disclosure breaches, acceptable use breaches and excessive data retention.
Staff Skills & Resilience/Culture	Staff's ability and capacity to manage multiple changes and embrace new ways of working, post pandemic. National workforce competition – in a remote working environment, we are effectively in competition with UK-wide employers, not just London-based ones.

The Audit Committee reports to Council at least annually on risk management. Council has reviewed these reports and takes responsibility for ensuring that all appropriate measures are implemented as business priorities.

Because of the regular and highly diversified income streams, the Group does not actively use financial instruments (lines of credit, factoring, currency hedging) as part of its financial risk management. The Group is exposed to the usual contract, credit and cash flow risks associated with providing its goods and services. It manages these risks through its contract management, internal control procedures, cash flow monitoring and Risk Register.

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).

UK Company and Charity law requires the Council to prepare financial statements for each financial year. Under that 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 these 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 accounting records that are sufficient to show and explain RCOT's transactions and 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 Companies Act 2006. It is also responsible for safeguarding the assets of RCOT and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



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

**By order of Council
Chair – Professor Diane Cox
7 April 2022**

Independent auditor's report to members and trustees of the Royal College of Occupational Therapists

Opinion on the financial statements

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 2021 and of the company's incoming resources and application of resources for the period 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.

We have audited the financial statements of The Royal College of Occupational Therapists ("the Charitable Company") for the year ended 30 September 2021 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company 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.

Conclusions related 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 Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's

report thereon. The other information comprises the Report of the Board of Trustees. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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 period 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.

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 Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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 Trustees' Responsibilities, the Trustees (who are 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 determines 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 the Companies Act 2006 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 these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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. No irregularities, including fraud were identified during the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. We:

- Discussed with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud meetings of those charged with governance, reviewing correspondence with HMRC and the charities commission to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Reviewed items included in the fraud register
- Challenged assumptions made by management in their significant accounting estimates
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition

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.

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. Our audit work has been undertaken so that we might state to the Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Phil Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date 29 April 2022
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 2021

		Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Incoming and Endowments from:	Note					
Charitable activities						
Membership subscriptions		7,117	114	-	7,231	7,013
Journals		509	30	-	539	586
Conferences and events		115	84	-	199	118
Professional activities		127	-	49	176	152
Investments		178	-	-	178	222
Other		67	-	-	67	235
Total		8,113	228	49	8,390	8,326
Expenditure on:						
Charitable activities						
Membership administration		623	38	-	661	543
Journals		292	28	-	320	881
Conferences and events		2,684	55	-	2,739	1,917
Professional activities		4,176	788	21	4,985	4,426
Other activities						
Pension buy out costs	8	-	-	-	-	-
Total	2	7,775	909	21	8,705	7,767
Net gain (losses) on investments	11	1,854	-	-	1,854	(1,519)
Net (loss)/income		2,192	(681)	28	1,539	(960)
Transfer between funds	16	(9)	9	-	-	-
Net movement in funds:		2,183	(672)	28	1,539	(960)
Reconciliation of funds						
Total funds brought forward at 1 October		11,118	2,993	30	14,141	15,101
Total fund carried forward at 30 September		13,301	2,321	58	15,680	14,141

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

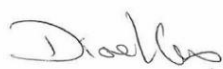
The surplus/(loss) for the year for Companies Act purposes was a loss of (£227,968) comprising net incoming resources for the year of (£315,230) plus the realised gains on investments of £87,262 (2020: gain of £574,875 comprising net incoming resources of £559,759 plus the realised gain on investments of £15,116).

Balance sheet as at September 2021

Company House Number: 01347374

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed Assets					
Tangible assets	10		1,418		1,614
Investments	11		9,746		7,811
			<u>11,164</u>		<u>9,425</u>
Current Assets					
Debtors	12	962		1,524	
Cash held as liquid investment	19	2,716		2,714	
Cash at bank and in hand	19	1,954		1,280	
		<u>5,632</u>		<u>5,518</u>	
Creditors					
Amount falling due within one year	13	<u>(1,116)</u>		<u>(802)</u>	
NET CURRENT ASSETS			4,516		4,716
Pension scheme liability			-		-
NET ASSETS	17		<u>15,680</u>		<u>14,141</u>
Share Capital	14		-		-
Funds					
Restricted	15		58		30
Designated:					
• Pension Scheme	16		1,156		1,156
• Other			1,165		1,837
• Unrestricted			13,301		11,118
CAPITAL and RESERVES			<u>15,680</u>		<u>14,141</u>

Approved by Council and authorised for issue on 7th April 2022



Professor Diane Cox
Chair of Council



Dr Kee Hean Lim
Vice-Chair of Council

Cash flow statement for the year ended 30 September 2021

		2021	2020
Statement of cash flows	Note	£000	£000
Net cash inflow / (outflow) used in operating activities		585	(270)
Cash flows from investing activities:			
Investment income		178	202
Amounts paid to acquire investments		(5,609)	(3,898)
Amounts received from disposal of investments		5,966	3,049
Amount paid to acquire tangible fixed assets		(5)	(174)
Net cash (used in) from investment activities		1,115	(1,091)
Change in cash and cash equivalents for the year ended 30 September		1,115	(1,091)
Cash and cash equivalents at the beginning of the reporting period		4,245	5,336
Cash and cash equivalents for the year ended 30 September	19	5,360	4,245

Reconciliation of net income to net cash flow from operating activities

Net surplus at 30 September as per the SOFA	1,539	(960)
Adjustments for:		
Depreciation	201	214
(Gains) / Loss on investments	(1,854)	1,519
Increase / (Decrease) in pension fund	-	-
Investment income	(178)	(202)
Decrease / (Increase)/ in debtors	562	(702)
Increase /(Decrease) in creditors	315	(139)
Net cash used in operating activities	585	(270)

Notes to the financial statements

1 Principal accounting policies

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

(a) Format of accounts

Council is of the opinion that the Income and Expenditure Account formats, as required by the Companies Act 2006, are not appropriate to the activities of RCOT. The formats have been adapted to provide more appropriate information of the Income and Expenditure relating to the year's activities. Results of Specialist Sections and Regions are aggregated in the financial statements.

(b) Basis of accounting

The financial statements of RCOT have been prepared on the going concern basis 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 (FRS 102), effective 1st January 2019, Companies Act 2006 and Charity and Trustees Investment (Scotland) Act 2005.

(c) Going concern

The main income stream is from ongoing membership subscriptions; these account for 86% of total income. As most of the members work in the healthcare sector (NHS or local government), RCOT does not believe that there will be any significant reduction in membership numbers. Member numbers in fact continue to increase, rising from 33,717 in September 2020 to 35,078 in September 2021. Other income streams including commercial income (building tenancies, meeting room rentals) as well as investment income (long term investment fund) are also expected to continue for the foreseeable future. Although if a government-imposed lockdown occurs, building ground floor meeting room rentals will drop for the period under lockdown. The long-term investment funds of approximately £5M are not needed to fund operating costs during the next few years.

The company's only significant liability is the defined benefit scheme (closed in 2014) and based on recent actuarial valuations, this is fully funded, with the exception of a final payment to Aviva (the scheme owner), valued most recently in December 2017 at £1.1M.

(d) Incoming resources

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

Of the total subscriptions received by BAOT, 19% (2020 19%) is retained to meet industrial relations and administrative costs. The balance of 81% (2020 81%) is transferred to RCOT, to support its professional, educational and administrative costs.

Notes to the financial statements - continued

Principal accounting policies - continued

(d) Incoming resources - continued

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

(e) Resources expended

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

- 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 full-time-equivalent members of staff.

Governance and Administrative costs represent the costs associated with the governance arrangements of the charity, including costs related to the strategic (as opposed to operational) management of RCOT's activities.

(f) Fixed assets and depreciation

Fixed assets with a cost of £1,000 or greater are capitalised (capitalisation threshold) and are stated in the Balance Sheet at net book value, being at cost less accumulated depreciation and any related impairment.

Depreciation is provided at rates that are calculated to write off the cost of each asset, on a straight-line basis (evenly), over its estimated useful life. Rates for the different categories are 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.

Notes to the financial statements - continued

Principal accounting policies - continued

Note that although the office building in Borough High Street, London is shown at net book value in the Balance Sheet, its current market value is in the region of £8M, before exit fees. The building is also insured at replacement value of circa £6.5M.

(g) Investments

Investments are included in the Balance Sheet at latest market value at balance date. Any unrealised gains or losses are included in the Income and Expenditure Account. The investment portfolio is professionally managed on the Group's behalf by professional fund managers in accordance with the Group Investment Policy.

(h) Funds

Restricted funds are grants or donations given by a grant provider or donor with performance conditions attached that must be met, before income can be recognised in the Income and Expenditure Account. They are held in the Balance Sheet as Restricted Fund Reserves until the performance conditions are met.

Unrestricted funds are available for use by the company to further its objectives. Certain unrestricted funds may be designated by the Council to be used for particular purposes. The categories of designated reserves and the values designated can be changed by Council at a later date.

(i) Liquid assets

Liquid assets are cash, or assets that can be converted into cash very quickly, generally because there is an enduring demand from buyers and because their realisable value is known with a high level of reliability.

(j) Pensions

RCOT operates a defined contribution scheme for staff as part of its employee benefits package. This includes ongoing contractual obligations for the employer to contribute towards the staff members' pension pots until they cease being an employee. By definition, the employer has no contractual obligation to create or maintain the pension pot values, but does have an obligation for the employer contribution rates payable.

In the past, the company provided a defined benefits scheme for employees. This scheme was closed to employees in June 2014. Following a scheme valuation in December 2017, the scheme administrators advised that there is a final employer payment, valued in December 2017 at £1,156,000. This final payment is due to ensure defined benefits value is available to pay legacy scheme members.

Notes to the financial statements - continued

Principal accounting policies - continued

(k) Recognition of liabilities

For the financial year being reported, where goods and services were provided to the company by agreement, or contractual obligations otherwise arise and invoice processing has not yet occurred, accrued expenses are recognised in the Income and Expenditure Account. VAT costs are also accrued for to the extent they cannot be recovered.

(l) Grants

Where the company makes grants to an external party, such grants are recognised in the year in which they are paid. In addition, it also administers a number of restricted funds which make grants each year. These restricted fund grants are charged in the year in which they are paid. Details of grants paid are available on the company website.

Notes to the financial statements - continued

2 Charitable activities

	Direct Costs £000	Support Cost £000	Total 2021 £000	Total 2020 £000
Unrestricted Funds				
Membership subscriptions	385	238	623	505
Journals	84	208	292	843
Conference and Events	2,051	633	2,684	1831
Professional activities	2,396	1,780	4,176	3997
Total Unrestricted	4,916	2,859	7,775	7,176
Designated Funds				
Membership subscriptions	38	-	38	38
Journals	28	-	28	38
Conference and Events	55	-	55	86
Professional activities	788	-	788	429
Total Designated	909	-	909	591
Restricted Funds				
Professional activities	21	-	21	-
Total Charitable Activities	5,846	2,859	8,705	7,767

3 Support costs

	2021 £000	2020 £000
Staffing Costs	1,086	1155
Facilities and Infrastructure	797	528
Depreciation	201	214
General Administration	775	561
Total Support Costs	2,859	2,458

4 Auditors fees

The audit fee of RCOT's auditors is £19,055 (2020 - £18,500) for audit work

Notes to the financial statements - continued

5	Staff costs	2021	2020
		£000	£000
	Salaries	3754	3420
	Social Security costs	418	374
	Pension costs	326	291
	Employee benefits	110	113
	Sub total cost of staff employed	4,608	4,198
	Temporary Staff	252	265
	Recruitment	95	63
	Training	18	25
	Total Staffing Costs	4,973	4,551

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

	2021	2020
	number	number
Charitable activities	68	66
Support activities	17	12
	85	78

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

	2021	2020
	number	number
£60,001 - £70,000	3	-
£70,001 - £80,000	1	2
£80,001 - £90,000	2	4
£90,001 - £100,000	3	-
£100,001 - £110,000	1	1

Remuneration and benefits paid to key employees during the year:

	2021	2020
	£000	£000
Salaries	637	586
Social Security costs	78	72
Pension costs	57	53
Employee benefits	10	10
Total remuneration and benefits	782	721

Notes to the financial statements - continued

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 £4,089. (2020 - 9 Council members reimbursed £12,351). Council members did not receive any remuneration for carrying out duties as trustees/directors

RCOT paid £4,864 (2020- £4,124) 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

Notes to the financial statements - continued

8 Pension buy out

In December 2017, RCOT, the pension scheme Trustees of the Federated Pension Scheme for the British Association of Occupational Therapists Ltd 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, valued in December 2017, likely payable in May 2022.

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. The disclosures set out below are based on calculations carried out as at 30 September 2021 by a qualified independent actuary.

The main assumptions used for the purposes of FRS 102 are (in nominal terms):

	30/09/2021	30/09/2020
Discount Rate	1.95%	1.60%
Expected return on scheme assets	1.95%	1.60%
Pension increase in payment at the 5% LPI rate based on RPI	3.55%	3.00%
Pension increase in payment at the 2.5% LPI rate based on RPI	2.30%	2.15%
RPI	3.75%	3.05%
CPI	3.10%	2.35%

Expected Return on Assets

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

	At 30/09/2021	At 30/09/20
	£000	£000
Insured Annuity Contracts	17,708	18,110
Cash/Other	17	36
Total Fair Value of Assets	17,725	18,146

Notes to the 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

	At 30/09/2021	At 30/09/20
	£000	£000
Fair Value of Assets	17,725	18,146
Value of Liabilities (defined benefit obligation)	17,708	(18,109)
	<hr/>	<hr/>
Funded status	17	37
Surplus restriction	(17)	(37)
	<hr/>	<hr/>
Recognised Pension Asset/(Liability)	<hr/> -	<hr/> -

The excess ('surplus') of the fair value of scheme assets over the present value of the scheme liabilities can be recognised as an asset of the employer in the employer's balance sheet only in so far as the employer is able to recover this surplus (with or 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 Income and Expenditure Account

	At 30/09/2021	At 30/09/20
	£000	£000
Interest cost on obligation	(1)	(1)
Restriction on expected return on assets	1	1
	<hr/>	<hr/>
Total SOFA Charge	<hr/> -	<hr/> -

Notes to the financial statements - continued

9 Pension costs – continued

Changes in the present value of the defined benefit contribution

	At 30/09/2021	At 30/09/20
	£000	£000
Opening defined benefit obligation	18,109	18,559
Interest cost on obligation	287	340
Remeasurement (gains) and losses –		
Actuarial (gains) and losses	(396)	(450)
Benefits paid	(292)	(340)
Closing defined benefit obligation	17,708	18,109

Changes in the fair value of Scheme Assets

	At 30/09/2021	At 30/09/20
	£000	£000
Opening fair value of Scheme Assets	18,146	18,618
Interest income	288	341
Remeasurement gains – return on		
Scheme assets excluding interest		
Income	(417)	(473)
Benefits paid	(292)	(340)
Closing fair value of Scheme Assets	17,725	18,146

Total amount taken to Other Comprehensive Income

	At 30/09/2021	At 30/09/20
	£000	£000
Actuarial return on scheme assets (losses)	(129)	(132)
Less: amounts included in net interest on the		
Defined benefit liability	(288)	(341)
Remeasurement (losses) – Return on	(417)	(473)
Scheme assets excluding interest income		
Remeasurement gains/(losses) – actuarial gains		
and (losses)	396	450
Surplus restriction	21	23
Remeasurement gain/(loss) recognised in		
Other comprehensive income	-	-

Notes to the 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 2020	1,046	1,603	614	245	318	3,826
Additions during year					5	5
Disposals					(8)	(8)
At 30 September 2021	1,046	1,603	614	245	315	3,823
Depreciation						
At 1 October 2020	481	775	584	200	172	2,212
Charge for the year	21	80	20	15	65	201
Released on disposal					(8)	(8)
At 30 September 2021	502	855	604	215	229	2,405
Net Book Value						
At 30 September 2021	544	748	10	30	86	1,418
At 30 September 2020	565	828	30	45	146	1,614

All assets are used for the charitable activities of RCOT

There was no amount of capital authorised and contracted for as at 30 September 2021

Notes to the financial statements – continued

11 Fixed assets investments

	Market value 01/10/2020 £000	Additions Additions £000	Disposal Proceeds £000	Net (losses) £000	Market value 30/09/2021 £000
UK Equities	3,274	2989	(3,440)	1,318	4,141
Alternatives	926	140	(441)	46	671
Fixed Income	1,366	764	(882)	(28)	1,220
Overseas Equities	1,994	1,716	(1,203)	517	3,024
Sub total	7,560	5,609	(5,966)	1,853	9,056
Cash held in investment portfolio	251				690
Total	7,811				9,746

The total cost of investments held by RCOT at 30 September 2021 was £9,300,102 (2020: £9,131,302)

Notes to the financial statements - continued

12	Debtors	2021 £000	2020 £000
	Amounts due within one year		
	Trade Debtors	40	58
	Other Debtors	7	14
	Taxes & Social Security	-	62
	Prepayments and Accrued Income	233	338
	Amount due from BAOT	682	1,052
		962	1,524

13	Creditors	2021 £000	2020 £000
	Amounts due within one year		
	Trade Creditors	318	157
	Taxes & Social Security	117	152
	Pension Scheme	-	42
	Accrued & Deferred Income	681	451
		1,116	802

The amount of Deferred Income at the beginning of the year was £146,051. During the year, the whole of this amount was released to the SOFA, while a further £138,863 of income was created. The balance of Deferred Income at 30 September 2021 was £138,863

14	Share capital	2021 £	2020 £
	Authorised Ordinary shares of £ each	100	100
	Allotted and fully paid Ordinary shares of £1 each	3	3

Notes to the financial statements - continued

15 Restricted funds

	Balance 01/10/20 £000	Incoming Resources £000	Resources Expended £000	Balance 30/09/21 £000
ISP Annual Award	26	-	-	26
ISP Scholarship	1	-	-	1
Elizabeth Casson	1	-	-	1
Elizabeth Casson PD	2	-	-	2
Covid-funds	-	32	(17)	15
Health Education England – Neonatal	-	17	(4)	13
	30	49	(21)	58

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 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 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.
- **Covid-funds:** This is hardship fund for members during covid-19
- **Health Education England - Neonatal:** This project is for developing resources for members learning

Notes to the financial statements - continued

16 Designated funds

	Balance 01/10/20 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance 30/09/21 £000
Pension Scheme	1,156	-	-	-	1,156
College Branches	732	228	(121)	36	875
CRM Project	754	-	(726)	(28)	-
UKOTRF	351	-	(62)	1	290
	2,993	228	(909)	9	2,321

The pension scheme funds are to cover the balance of £1,156,000 owed to AVIVA upon compensation of the buyout

A total £1,105,000 was assigned to fund the CRM project. Balance brought forward to 1st October 2020 was £754,000 for the CRM project, of which £726,000 has been spent during the year on the project. It was decided that the remaining £28,000 to be written off as an undesignated balance.

The funds for RCOT branches supported 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	-	-	2,321	2,321
Unrestricted Funds	1,418	9,746	2,165	13,329
	1,418	9,746	4,516	15,680

Notes to the financial statements - continued

18 Reconciliation of movement in share capital and charitable funds

	2021 £000	2020 £000
Surplus / (deficit) for the financial year	1,539	(960)
Shareholders' funds at 1 October	14,141	15,101
	15,680	14,141

19 Analysis of changes in net funds

	At 1 October 2020 £000	Cashflows £000	At 30 September 2021 £000
Cash at bank and in hand	1,280	674	1,954
Cash held as liquid investment	2,714	2	2,716
Cash held in investment portfolio	251	439	690
	4,245	1,115	5,360

20. Parent undertaking and ultimate controlling party

The parent undertaking and ultimate controlling party of RCOT is the British Association of Occupational Therapists Ltd ('BAOT').

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

BAOT 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 entity 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 (regular) rates.