



Royal College of Occupational Therapists Annual report of Council

30 September 2022

Helping people everywhere value the life-changing power of occupational therapy



Occupational therapy helps you live your best life at home, at work – and everywhere else. It's about being able to do the 'occupations' you need, want and have to do. That could mean overcoming challenges learning at school, going to work, playing sport or simply doing the dishes.

Occupational therapists see beyond diagnoses and limitations. They focus on hopes and aspirations. They work with you to recommend adjustments to the way you live by looking at the relationship between the activities you do every day, the challenges you're facing, and your environment. These adjustments are practical, realistic and personal to you, to help you achieve the breakthroughs you need to elevate your everyday life.

Who we are

We're RCOT, the Royal College of Occupational Therapists. We've championed the profession and the people behind it for over 90 years; and today, we are thriving with over 35,000 members. Then and now, we're here to help achieve life-changing breakthroughs for our members, for the people they support and for society as a whole.

This includes giving members opportunities to learn, research, teach, practice and continuously improve their knowledge and skills. We also work with healthcare commissioners, political leaders and others to position occupational therapy as a solution at the heart of health and social care.

Our future

We have a vision, that **people everywhere value the life-changing power of occupational therapy.**

To achieve it, we're raising the profile of occupational therapy, attracting more people to the profession, and helping everyone who needs it get the life-changing therapy they need.

We're the powerful advocate and high-profile champion that the UK's occupational therapists deserve. Proudly inclusive, we also welcome and support new generations of occupational therapists and are working to create a profession that reflects the diverse society we work with.

Contents

Section one – Introductions	4–6
Report of the Chair of Council	5
Report of the Chief Executive	6
Section two – Strategic report	7–14
Our impact in 2021/22	9
Our priorities for 2022/23	13
Section three – Governance	15–17
Section four – Financial review	18–24
Plans for future periods	20
Principal risks and uncertainties	21–23
Statement of Council’s responsibilities	24
Section five – Independent auditor’s report to members	25–29
Section six – Financial statements	30–46
Notes to the financial statements	34–46
Section seven – Legal and administrative information	47–49

Section one
Introductions



Report of the Chair of Council

I'm proud to have been elected by my peers as Chair of Council at the Royal College of Occupational Therapists (RCOT) in June 2022. As Chair, I want to promote equity and justice and ensure every member feels heard and represented – and I mean every member.



When I was elected, I pledged to work to reengage with those who feel disengaged and help them regain their voices. To reflect this, we've introduced new ways to connect with members. I share a vlog each quarter to let members know what's being discussed at Council, and where we'd value input. We regularly have member consultations and discussions to get insight and feedback on the things we're working on. I'm pleased we're seeing more and more members getting involved and also volunteering their time. I will continue to ensure we build up these open channels of communication, so that we can work together to grow and develop.

We've started the work to make sure that equity, diversity and belonging is embedded in all our activity. We know there's more work to do, but by introducing expert advisory groups, launching EDB Insights sessions and drafting an EDB strategy, we've made positive steps forward.

Our other priorities include having the right membership offer in place so that we're supporting and championing our members in the ways which matter most to them. While doing this, as an organisation we also need to ensure we have the right governance structure in place, to support delivery of our strategic ambitions and to minimise any risks to the organisation. In my role as Chair of Council, I will continue to support the senior leadership team to deliver on these strategic priorities.

We have an ambitious strategy to make occupational therapy better known and understood, highly valued and recognised for the positive impact it has on the health of our society. You can help us by being loud and proud of the benefits that occupational therapy brings, by using every opportunity to showcase the life changing power of occupational therapy.

I'm confident that the work we've done this year provides a strong foundation to face the future.

A handwritten signature in black ink that reads "Odeth Richardson". The signature is written in a cursive, flowing style.

Odeth Richardson, BAOT/RCOT Chair of Council

Report of the Chief Executive

2021/22 was a significant year for us. It was one of positioning, starting with the launch of our new strategy, brand and values, as we aim to deliver more for our members – all of that based on what our members told us we need to be and do, now and into the future.



And this marked a real change for us as an organisation. We knew that we needed to change how we work to become a more forward-looking organisation and boldly lead the profession forward, with a stronger voice than ever before.

And we are still on that journey of change, which can be both challenging and energising.

Over the year we changed our leadership and team structures to ensure we have the right roles, in the right place, to deliver the greatest impact.

The top priorities for us, as we've consistently heard from our members, is creating greater awareness of occupational therapy, providing support for a workforce under considerable pressure and delivering a better, more compelling membership offer.

We're very serious about tackling these priorities and I'm excited as we establish and resource ourselves for the year ahead. As we move into the second year of our strategy, our focus will continue to be on delivery, and demonstrating our impact to our members.

So, there's so much to look forward to as we focus on our ambitious goals, making big changes, but flexing and adapting as we go, and making sure that we've got real focus on delivering those projects that will have the biggest impact.

Our year ahead will be all about turning the exciting and ambitious plans that we've promised you and the wider occupational therapy community into reality.

A handwritten signature in black ink, which appears to read 'Steve Ford'. The signature is written in a cursive, slightly slanted style.

Steve Ford, RCOT Chief Executive

Section two
Strategic report



Strategic report

What we're aiming to achieve

Our five-year strategy, launched in January 2022 guides our efforts to reach more people and create wider positive impacts. We developed it by collaborating with occupational therapists, members, colleagues and senior allied health profession leaders.

The focus is on delivering short and long-term action plans that make the biggest impacts, based on our strengths, our members' needs and the greatest opportunities for us to support occupational therapy and therapists across the UK.



Rise Up

We will rise up to be bold, progressive advocates and champions – raising our profile and voice so that more people understand the power of what occupational therapists do.



Lift Up

We will lift up every occupational therapist and support them to be the best they can be throughout their entire career – by offering them the best community, resources and tools that help them to succeed.



Open Up

We will open up to new opportunities and people – joining forces, forming alliances, and getting more people to see occupational therapy as the solution to their needs.



Build Up

We will build up our organisation and culture to be dynamic, high performing and values-led by using insights and data to inform and drive us to achieve our purpose.



Steve Ford, RCOT Chief Executive talks about our strategy

Our impact in 2021/22

A reshape of our strategy, brand and values has given us a clearer focus in moving our work forward in the most impactful way. At RCOT, everything we do is so that one day people everywhere value the life-changing power of occupational therapy.

Brand

For RCOT, a strong brand means we can grow the understanding of occupational therapy, attract more people to the profession and help more people get the life-changing therapy they need.

So, a strong brand is especially essential if we're going to realise the true potential of occupational therapy to increase wellbeing right across our society.

Our new brand, launched in January 2022, was developed using insight gained from members, colleagues and other key groups. With 'occupation' at centre stage and inclusivity at its heart, we believe our brand now captures the positive, dynamic and deeply human spirit of occupational therapy. It shows the world the true power of what we do.

The brand is not an end in itself. It's a tool to help us achieve our strategy, to help us raise our profile, making occupational therapy better known and more widely understood, and to grow our member numbers, as well as increase and deepen engagement with our current members. If we achieve our strategic aims, we can safely say that the brand has been successful.

Values

- We've introduced organisational values to describe what matters to us, and to help shape how we act and make decisions – as individuals and as a team – to achieve our shared purpose and vision.



We Impact

We make meaningful differences with all our work.
We prioritise work that achieves our shared purpose and strategy.
We go above and beyond for the people who need us.



We Elevate

We lift up and support others to be and do their best.
We are accessible and collaborative.
We are united and move forward together, even if we sometimes disagree.



We Challenge

We find new and better ways to make things happen.
We are brave and bold in our ideas and actions.
We challenge ourselves, each other and the status quo.



We Respect

We value each other and celebrate our differences.
We are approachable, genuine and trustworthy.
We listen to others and believe everyone's views should be heard.

Engagement and transparency

- We introduced vlogs from our Chair after each Council meeting to help members learn more about Council and the activity they're overseeing.
- We asked about workforce, rehab, children's and neonatal services, primary care and uniforms, across seven member surveys and a sustainability pulse survey.
- In November 2021, we updated the member portal and our customer relationship management system. Members can now view and update their details online, book onto our events and access resources more easily.

Transformation and leadership

- In March 2022 we changed our senior leadership structure and in November 2022 our team structures, to make sure we have the right roles in the right place, to drive the organisation forward and deliver the greatest impact for members, the wider community and the people you support.

Our Library

- Our Library Service went fully digital, giving 24/7 access, 365 days a year to support the professional practice, education, research and CPD activities of members. In our 2019/20 Library survey, members shared they wanted more digital resources and better access. And that's what we now offer with our digital Library – giving members the same access to resources and services wherever they're located, in a more sustainable and accessible way.
- Our Library is a specialist reference only service that is open to all members and others with a legitimate interest in occupational therapy. A digital Library allows us to continue to meet our commitment to benefitting the public by supporting the education, learning and practice of occupational therapists and the communities and people they work with.

Research and innovation

- We launched a call for RCOT Research Champions, to help us shape RCOT Research Connect, a new UK-wide virtual network of members launching in spring 2023.
- We launched a monthly R&D bulletin in March 2022 – bringing members the latest research news, events and publications, plus funding and career development opportunities.
- The Research Café pilot saw 120 members connected over six cafes, to discuss research related topics.

Equity, diversity and belonging

- In 2022 we moved from equality, diversity and inclusion (EDI), to equity, diversity and belonging (EDB). With our renewed commitment and ambition, we want to give all members, especially those who are under-represented and historically marginalised, a sense of belonging and equity.
- Last year, we appointed our EDB Manager, who's built relationships with key stakeholder groups including @BAMEOTUK, @ABLEOTUK and @LGBTQIAOTUK and others. With their support we've set up expert advisory groups to challenge and guide us to make sure we deliver our EDB commitments and collaborate with us on our EDB agenda.
- We launched our EDB Insights sessions to look at equity, diversity and belonging and what we can learn from it. Hundreds of members attended events that challenged the status quo and had us reflecting on what we can do better.
- We have two colleague networks – one for those from Black Asian and Minority Ethnic communities, and another for those who identify as being part of the LGBTQIA+ community. They provide a safe space for conversation, support and allyship.
- We've co-created a draft EDB strategy with members and colleagues and we've improved diversity monitoring, so we can use the data to identify and remove barriers to inclusion.

Profile raising activity

- Occupational Therapy Week brings together the profession to raise our profile. Our 2021 campaign, #OTsForEquity, highlighted the role that occupational therapists play in addressing health equity. The campaign achieved an 8.9m reach on social media and the animation was viewed over 116,000 times.
- Our Choose OT careers campaign aims to raise awareness of occupational therapy as a valuable and rewarding career. Our social media careers campaign has been seen over three million times and resulted in over 9,000 click throughs to our dedicated careers website, ChooseOT.co.uk.

Campaigning and advocacy

- Our work in this area led to the UK government announcing that from 1 July 2022, occupational therapists were able to approve fit notes. The new legislation recognises the valuable role OTs play in providing health and work advice and supporting people to remain in work where possible. This will have a positive impact on health services across the UK.

Key events

Our events deliver continuing professional development and the opportunity for occupational therapists to come together to network and learn from one another.

- Annual Conference 2022: over 1,000 people joined our flagship event online, for 109 abstracts, presentations, posters and skills exchange sessions, eight RCOT sessions and 15 chat rooms, with 91% of delegates rating it as excellent, great or good overall.
- We held two virtual Elizabeth Casson Memorial lectures in 2021/22. In November 2021, Dr Anita Atwal, Associate Professor of Interprofessional Working, London South Bank University, delivered her lecture No barriers to brilliance: Social and creative courage to innovate and disrupt occupational therapy practice.

In April 2022, Dr Sidney Chu delivered his lecture Optimising performance, clinical and economic outcomes in occupational therapy service delivery. Over 3,700 people watched these, live and on demand.

Learner experience insight

- Our newly launched Carnduff Learner Forum provides a meaningful space to enhance our understanding of learner experience by bringing us together with 12 students and apprentices. The Forum has also shared their insights at our Annual Conference and the European Network of Occupational Therapy Educators' conference.

Our volunteers

We cannot achieve all this alone and invite occupational therapists and associate members to be volunteers, primarily as members of Boards and Committees and to run our branches (specialist sections and regions). We have approximately 350 volunteers supporting us at any one time, delivering hundreds of events and local and specialist services throughout the year. No financial value has been attributed to the work of our volunteers, but we consider it vital to our activities.



Our priorities for 2022/23

Strategy, brand and values

- We're using our new strategy, brand and vision to position RCOT and the profession and to drive more awareness and opportunities.
- We'll expand our social media presence to be a more active, leading voice for occupational therapy and the people it impacts – opening up conversations and reaching more people.

Engagement and transparency

- In 2023, we'll continue sharing vlogs after each Council meeting, having quarterly opportunities for members to meet with our Senior Leadership Team, inviting members to participate in surveys and consultations, including for our EDB strategy, and we'll be sharing opportunities for members to volunteer and get involved.

Transformation and leadership

- We will bring together key OT leaders from across the UK's health and social care systems through our new Leadership Advisory Group and at our Leadership Forum events.
- We will develop and embed our new structure, values, behaviours, policies and procedures, and we will open our new building in March 2023.

Research and innovation

- We're creating a network of champions to support the research community by providing networking, mentoring and information sharing to support the development of research capacity and capability within our profession across the UK.
- Our Innovation Hub project is about developing the right environment for occupational therapists to share and learn from others about what they are improving.

Education and careers

- We're supporting the development of innovative pre-registration entry routes and pathways to the profession by collaborating with relevant people and organisations.
- We're working with higher education institutions to create new routes and pathways that make occupational therapy more accessible, to bring more and different people into the profession.
- Over 2023 and 2024 we'll be reviewing our HEI engagement and accreditation process, to re-image how we engage with providers of pre-registration occupational therapy education with a view to establishing a new quality assurance model.

Membership experience

- We will design a member research programme that will gather information and evidence to better inform all our future projects.
- We're exploring how we can improve and grow our membership offer by reviewing our current package and how this can be more compelling. We'll be engaging with members to gather views to help us get this right.
- We're having an overhaul of our digital experience, including more self-service options, easier ways for members to interact with us and manage their account online, and embarking on a project to develop a digital version of OTnews.
- We know that members want to plan, record and reflect on their professional development needs effectively and efficiently. We're investigating the ways we can help them do this so we can support their learning, career development and evidence HCPC CPD standards.
- We'll create an online space where members can connect and form virtual communities so they can learn from each other and share experiences.
- We'll be working with members to review how our branches and the diverse range of volunteering opportunities at RCOT can help achieve our vision.

Practice

- We're developing a workforce strategy for occupational therapy to influence key stakeholders and policy across the UK, including delivering the HEE Workforce Reform Project – to determine what the future workforce of occupational therapy should look like and ensure the sustainability of the profession.
- We will promote best practice and innovation in key areas of OT practice, such as community rehabilitation, social and primary care – partnering with alliances and coalitions.
- We're strengthening our position as the go-to resource for information on workforce, innovation and service examples for members and stakeholders.

Equity, diversity and belonging

- In Spring 2023, we will consult with members over our draft EDB strategy for launch later in the year. It'll set out the long-term approach to improve EDB in occupational therapy and at RCOT. We'll share the actions we'll be taking to better serve our diverse communities and help remove discrimination and prejudice from our profession, ensuring RCOT is a welcoming, safe and supportive space for all members, colleagues, stakeholders and the wider occupational therapy community.

Sustainability

- We will find out more about how environmental sustainability impacts OTs, and we'll share initiatives happening within the profession.

Section three
Governance



Structure, governance and management

Legal status

The Royal College of Occupational Therapists (RCOT) is a private company limited by shares registered in England and Wales (company no. 01347374) and a charity registered in England and Wales (no. 275119) and in Scotland (no. SC039573). The company's registered office is Phoenix House, 106-114 Borough High Street, London SE1 1LB.

The British Association of Occupational Therapists Limited (BAOT) (company no. 00392350) is the holding company for RCOT. BAOT is the professional association and trade union for occupational therapists in the United Kingdom (UK).

The Council

Our governing body, the Council, is responsible for the overall governance and work of the charity. The Council meets a minimum of four times a year and is responsible for ensuring that the charity meets its legal and regulatory obligations in the course of fulfilling its charitable purpose. It sets the charity's mission, values and long-term strategy and is responsible for governance, planning and significant operational decisions but delegates day-to-day management of the charity to the Chief Executive.

The Council members are both charity trustees and company directors and are all professional members of BAOT. The composition, appointment, election and retirement of Council members are governed by the Council Rules. Council members are appointed for a three-year term, starting 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, there is a formal election process involving the membership and conducted by independent scrutineers.

The Council consists of nine elected members. Further details of our Council members can be found on our website: www.rcot.co.uk/rcotcouncil

Induction and training of Council members

All new Council members are provided an induction pack with all of the formal documents relating to the governance of RCOT, together with relevant Charity Commission publications and other general guidance about the management and administration of the organisation. Council members then attend a formal induction at RCOT, to meet the Chair and senior officers of RCOT and to receive various presentations, particularly regarding their legal and financial responsibilities. They're 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.

Audit, Risk and Investment Committee

The Audit, Investment and Risk Committee has lead responsibility from the Council for: ensuring that there is a framework for accountability; implementing the investment policy and overseeing the charity's investments; for reviewing all systems and methods of control, compliance, and risk management. The Committee comprises a mix of Council members and other serving independent members who are recruited because of their professional and functional expertise. The Audit, Investment and Risk Committee met three times in the 2021/22 year.

Boards

The charity has six member Boards: England, Northern Ireland (currently paused), Scotland, Wales, Learning and Development, Research and Development. The Boards are not part of the formal governance of the charity and do not have any decision-making authority, but they operate as geographical and subject-specific sounding boards for the charity and its members.



Section four
Financial review



Financial review

Council report that RCOT total income for the year 2021/2022 was £8.5 million (2021: £8.39 million). 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 RCOT. In addition, RCOT earns a minor level of income from other sources. This year, the balance of subscriptions transferred was £7.2 million (2021: £7.2 million).

The total expenditure by RCOT for the year 2021/2022 increased by £0.45 million to £9.1 million (2021: £8.8 million), all of which was spent on charitable activities..

There was a net unrealised loss on investment funds of £0.61 million (2021: £1.84 million unrealised gain), which has been deducted to funds brought forward. This results in total charitable funds of RCOT decreasing to £14.4 million (2021: £15.68 million).

Reserves

RCOT's unrestricted and undesignated funds amounted to £6.939 million (2021: £13.301 million), of which £1.35 million is the net book value of fixed assets. A further £5m was redefined as designated reserves. This left £5.589 million as free reserves for working capital needs and investments, at 30 September 2022. 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. 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 one professional fund management firm, Close Brothers. The fund manages a diversified portfolio of investments, typically including fixed-term income products and equities. The total investment portfolio market value was £4,337,000 at 30 September 2022 (2021: £9,746,000). In 2021/22 £5million was defined as a designated transformation investment fund.

Plans for future periods

Following the appointment of a new Chief Executive in April 2021, we developed a series of strategic initiatives. Details of the new strategic initiatives were presented to the Council at its October 2021 meeting as part of the budget and planning process and approved in full. We'll implement the strategic initiatives 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 initiatives from reserves in relation to the existing Reserves Policy, to ensure continued compliance with that policy.

Post-balance sheet 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.

About future ways of working, we will continue flexible working practices (a combination of home and office-based working) and hosting virtual and face to face events.

Council agreed to a project which will see our building redeveloped and managed by a building management company with a dedicated space for RCOT and other areas rented out to external parties with a view to generating commercial income to support the new strategy.

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



Principal risks and uncertainties

We recognise that delivering our strategy involves risk. Some of these risks come from the external environment we operate in. Other risks are those that we consider part of a 'positive risk taking' culture, which means that we'll consciously engage with some risks so we can embrace change or embark on new opportunities that will help us successfully achieve our ambitions.

We incorporate the management of risk into our decision-making processes, including functional management and project management, and we view effective risk management as an opportunity to improve the way we work and something that is vital to achieving our vision for members and the wider profession.

The Audit, Investment and Risk Committee (AIR Committee) has lead responsibility for monitoring the major risks across BAOT and RCOT, assessing their likely impact and likelihood and the risk mitigations employed to manage such risks. The Council, AIR Committee and SLT have agreed that the following risks and uncertainties are the most critical ones facing the organisation at this moment.

1. We may see a decline in membership and funding

Why: Our members' needs are changing. We must be responsive to these changing needs by providing a membership offer that enhances and supports the diverse professional journeys of occupational therapists, and those of the wider occupational therapy community while delivering high standards of member care in all interactions. The value provided by our membership offer is even more critical in a cost-of-living crisis.

How we are responding: We want our members to see membership as essential to their occupational therapy journey, so we are embarking on a holistic review of all aspects of the membership offer. We are reviewing member benefits to make sure our offer is meaningful and offers real value to members. We will also be working on a new member engagement strategy, to build member loyalty. We have created new roles to focus on collecting member insight to better understand our members' needs. We are also taking a hard look at member fees to reduce the impact of the cost-of-living crisis on our members, and seeking to diversify our income to reduce our reliance on membership income.

2. Our governance may hinder us in achieving our ambitions

Why: We have a complex governance structure that is hindering our ability to provide a strong unified voice representing the occupational therapy community and we lack diversity of expertise which means the governance role as critical friend to management is stronger in relation to some functions of the organisation than others.

How we are responding: We want our governance to provide a strong foundation for the organisation's success so we have recruited expertise to support governance, risk and performance management. We are embarking on a wide-ranging governance review that seeks to optimise our governance to support delivery of the strategic ambitions. The review will seek to: reduce complexity; improve transparency; bring in a wider range of skills; reduce risk; strengthen decision-making and provide a foundation for a stronger RCOT voice.

3. Our financial model could fail to deliver as expected

Why: Overall income (primarily from fees) may not increase fast enough to cover increasing operating costs. We have invested heavily in the building which leaves us open to the risk that we may not be able to fill the space in line with projected timescales. Re-validating our VAT rebate (currently 75%) with HMRC may result in a less favourable arrangement.

How we are responding: We have a new five-year model which will see us return to a balanced/surplus position after a short-term period of funding deficits from reserves. The Head of Finance is working to extend and strengthen financial management within the organisation, this includes half-yearly reforecasts, financial KPIs, redefinition of cost centres and recruitment to increase expertise in the finance team.

We are closely monitoring the pipeline of tenants for the building and have set up robust and rapid decision-making processes around this. We have diversified our investment portfolio, which is actively managed by Close Bros and monitored by our investment adviser and AIR.

4. We may alienate long-standing and committed members by making changes to Specialist Sections

Why: We are embarking on a planned change programme to address challenges within the operation of our Specialist Sections. Despite the hard work of our volunteers, the specialist section model is unattractive to many members in its current form, while being resource intensive to manage.

How we are responding: We want our members to be able to engage in communities where they can network, share their knowledge, develop their skills and learn from other members. This will require investment in technologies to allow real time networking. The change management programme will work with members to identify ways in which we can innovate the Specialist Sections into thriving community hubs and ensure that current financial surpluses are working for the benefit of the members. We will integrate CPD support into these new communities, responding to members' calls for quality learning experiences in such groups, positioning them as sources of innovation and change, expanding the expertise and boundaries of occupational therapy.

5. Colleagues may struggle to adapt to changed ways of working and we may lack organisational capacity, impacting on our ability to achieve our strategic goals for members

Why: We have been delivering significant change, at pace, over the last year in order to put in place organisational structures, practices and expertise that will best enable us to deliver our strategy. We recognise that change is often difficult and can require a period of adjustment.

How we are responding: We have aimed to be compassionate and inclusive when leading and managing organisational change including structural changes. We are continuing to strengthen our workforce expertise and capacity through successfully hiring and onboarding to new vacancies. We have rolled out 90-day objectives to support colleagues and managers in conversations about priorities, progress, wellbeing and development. Our recent Learning Needs Assessment has enabled us to better understand organisational and personal development gaps and define plans to address them, with an initial focus on people management and enhancing digital skills. Finally, we have rolled out a hybrid working model which enables colleagues to work more flexibly so that we can deliver the best outcomes for our members.

6. The occupational therapy profession may not meet the needs of a diverse population and client base, and we may fail to meet expectations regarding our role in championing change

Why: We need to champion people from all backgrounds to become OTs, and to work for RCOT. Without a diverse professional workforce we risk a profession that is not able to meet the needs of a diverse population and client-base.

How we are responding: Our draft EDB strategy has been created in collaboration with colleagues, members, our EDB reference group and stakeholders. It's now being refined in preparation for consultation with members and colleagues which will launch in late June. Following consultation, the finalised strategy will form the basis of a multi-year action plan that will ensure that equity and inclusion are embedded into the fabric of everything we do, ensuring RCOT is a welcoming, safe and supportive space for all our members, colleagues, stakeholders and the wider occupational therapy community.

7. Our overall performance and productivity might be negatively impacted by our confidence in data protection requirements, or we may be responsible for a data breach which impacts on our members

Why: Colleagues, volunteers or third parties working on our behalf, may collect, process, or share data in a way that is not compliant with our data protection requirements. We may be the victim of a data theft, personal data breach, phishing attack, ransomware attack or computer virus (malware). Colleagues may lack the knowledge to get the most out of our data.

How we are responding: We want all our colleagues to be confident in their role in protecting and handling our data. We're developing a technology strategy which will set out how we can improve our approach to data and cyber security. The new Head of Governance and Compliance will be supporting the organisation with its GDPR and data protection requirements, starting with an internal audit. We have a range of data and cyber security measures in place, and we recently completed a critical security hardening project which further improved our Microsoft security profile.

The AIR 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). 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.

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
- 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.

Phoenix House
106-114 Borough High Street
London SE1 1LB

By order of Council
Chair – Odeth Richardson



Section five

Independent Auditor's report to RCOT members



Independent auditor's report to RCOT members

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the Parent Company's affairs as at 30 September 2022 and of its profit 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.

We have audited the financial statements of the British Association of Occupational Therapists ("the Parent Company") and its subsidiaries (the Group) for the year ended 30 September 2022 which comprise consolidated income and expenditure account, consolidated and parent company balance sheet, consolidated 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 are independent of the Group and the Parent 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 relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors 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. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' 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, 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We inquired of management, and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the entity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity. These include, but are not limited to, compliance with the Companies Act 2006 and UK GAAP.
- In addition, the Group and Parent Company are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.
- We also communicated relevant identified laws and regulations, potential fraud risks and the fact that there were no known matters of significant non-compliance with laws and regulations, to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit

Audit response to risks identified

- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Audit Committee and management;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We read minutes of meetings of those charged with governance, and reviewed correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of costs including apportionment of support costs, going concern assumptions, defined benefit pension scheme assumptions, year end provisions and depreciation rates for assets.

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.

A further description of our responsibilities is available on the Financial Reporting Council'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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date 02 June 2023



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

Section six
Financial statements



Statement of financial activities

(incorporating the Income and Expenditure Account) for the year ended 30 September 2022

	Note	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Total 2022 £000	Total 2021 £000
Incoming and Endowments from: Note						
Charitable activities						
Membership subscriptions		1,720	5,183	300	7,203	7,231
Journals		628	–	–	628	539
Conferences and events		107	13	–	120	199
Professional activities		168	–	–	168	176
Investments		95	–	–	95	178
Other		282	–	–	282	67
Total		3,000	5,196	300	8,496	8,390
Expenditure on:						
Charitable activities						
Membership administration		541	53	–	594	661
Journals		997	–	–	997	320
Conferences and events		3,023	84	–	3,107	2,739
Professional activities		4,187	207	64	4,458	4,985
Other activities						
Pension buy out costs	8	–	–	–	–	–
Total	2	8,748	344	64	9,156	8,705
Net gain (losses) on investments	11	(614)	–	–	(614)	1,854
Net (loss)/income		(6,362)	4,852	236	(1,274)	1,539
Transfer between funds	16	–	–	–	–	–
Net movement in funds		(6,362)	4,852	236	(1,274)	1,539
Reconciliation of funds						
Total funds brought forward at 1 October		13,301	2,321	58	15,680	14,141
Total funds carried forward at 30 September		6,939	7,173	294	14,406	15,680

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 (£663,910) comprising net incoming resources for the year of (£670,065) plus the realised gains on investments of £6,155 (2021: loss of £227,968 comprising net incoming resources of £315,230 plus the realised gain on investments of £87,262).

Balance sheet

Balance sheet as at September 2022. Company House Number: 01347374

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed Assets					
Tangible assets	10		1,351		1,418
Investments	11		4,337		9,746
			5,688		11,164
Current Assets					
Debtors	12	3,107		962	
Cash held as liquid investment	19	1,738		2,716	
Cash at bank and in hand	19	5,190		1,954	
		10,035		5,632	
Creditors					
Amount falling due within one year	13	(1,317)		(1,116)	
Net Current Assets			8,718		4,516
Pension scheme liability			–		–
Net Assets	17		14,406		15,680
Share Capital	14		–		–
Funds					
Restricted	15		294		58
Designated					
– Pension scheme	16		1,156		1,156
– Other			6,017		1,165
– Unrestricted			6,939		13,301
Capitals and Reserves			14,406		15,680

Approved by Council and authorised for issue on 30 May 2023.



Odeth Richardson
Chair of Council



Dr Kee Hean Lim
Vice Chair of Council

Cash flow statement

Cash flow statement for the year ended 30 September 2022

	Note	2022 £000	2021 £000
Net cash (outflow)/(inflow) used in operating activities		(2,523)	585
Cash flows from investing activities:			
Investment income		95	178
Amounts paid to acquire investments		(1,948)	(5,609)
Amounts received from disposal of investments		6,268	5,966
Amount paid to acquire tangible fixed assets		(109)	(5)
Net cash from investment activities		1,783	1,115
Change in cash and cash equivalents for the year ended 30 September		1,783	1,115
Cash and cash equivalents at the beginning of the reporting period		5,360	4,245
Cash and cash equivalents for the year ended 30 September	19	7,143	5,360

Reconciliation of net income to net cash flow from operating activities

Net (loss)/surplus at 30 September as per the SOFA		(1,274)	1,539
Adjustments for:			
Depreciation		176	201
Loss/(Gains) on investments		614	(1,854)
Increase/(Decrease) in pension fund		–	–
Investment income		(95)	(178)
Increase/(Decrease)/in debtors		(2,145)	562
Increase in creditors		201	315
Net cash used in/from operating activities		(2,523)	585

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 85% 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 35,078 in September 2021 to 35,118 in September 2022. 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.

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 £1.1 million.

(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% (2021 19%) is retained to meet industrial relations and administrative costs. The balance of 81% (2021 81%) is transferred to RCOT, to support its professional, educational and administrative costs.

(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.

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 £8 million, before exit fees. The building is also insured at replacement value of circa £6.5 million.

(g) Investments

Investments are included in the Balance Sheet at latest market value at the post balance sheet 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.

(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.

2 Charitable activities	Direct costs £000	Support cost £000	Total 2022 £000	Total 2021 £000
Unrestricted Funds				
Membership subscriptions	257	283	540	623
Journals	808	189	997	292
Conference and events	2,080	943	3,023	2,684
Professional activities	2,304	1,884	4,188	4,176
Total Unrestricted	5,449	3,299	8,748	7,775
Designated Funds				
Membership subscriptions	53	–	53	38
Journals	–	–	–	28
Conference and events	84	–	84	55
Professional activities	207	–	207	788
Total Designated	344	–	344	909
Restricted Funds				
Professional activities	64	–	64	21
Total Charitable Activities	5,793	3,299	9,156	8,705

3 Support costs	2022 £000	2021 £000
Staffing costs	1,621	1,086
Facilities and infrastructure	925	797
Depreciation	176	201
General administration	577	775
Total Support Costs	3,299	2,859

4 Auditors fees

The audit fee of RCOT's auditors is £35,100 (2021 - £19,055) for audit work.

5 Staff costs	2022 £000	2021 £000
Salaries	4,073	3,754
Social security costs	485	418
Pension costs	369	326
Employee benefits	94	110
Sub total cost of staff employed	5,021	4,608
Temporary staff	219	252
Recruitment	121	95
Training	28	18
Total staffing costs	5,389	4,973

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

	2022 number	2021 number
Charitable activities	68	68
Support activities	18	17
Total	86	85

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

	2022 number	2021 number
£60,001 - £70,000	8	3
£70,001 - £80,000	0	1
£80,001 - £90,000	2	2
£90,001 - £100,000	2	3
£100,001 - £110,000	1	1

Remuneration and benefits paid to key employees during the year:

	2022 £000	2021 £000
Salaries	628	637
Social security costs	80	78
Pension costs	54	57
Employee benefits	10	10
Total remuneration and benefits	772	782

During the period a severance payment of £70,000 was made to a key employee. Full payment was made and recognised as an expenditure in the period.

6 Council members

All Council members can claim for travel, subsistence and other expenses. The total amount of expenses reimbursed to nine Council members during the year was £9,365. (2021 – nine Council members reimbursed £4,089). Council members did not receive any remuneration for carrying out duties as trustees/directors.

RCOT paid £3,700 (2021- £4,864) 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 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 2023.

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 2022 by a qualified independent actuary.

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

	30/09/2022	30/09/2021
Discount rate	5.00%	1.95%
Expected return on scheme assets	1.20%	1.95%
Pension increase in payment at the 5% LPI rate based on RPI	2.50%	3.55%
Pension increase in payment at the 2.5% LPI rate based on RPI	2.35%	2.30%
RPI	4.00%	3.75%
CPI	3.40%	3.10%

Expected Return on Assets

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

	At 30/09/2022 £000	At 30/09/2021 £000
Insured Annuity Contracts	9,850	17,708
Cash/other	33	17
Total Fair Value Of Assets	9,883	17,725

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

	At 30/09/2022 £000	At 30/09/2021 £000
Fair Value of Assets	9,883	17,725
Value of Liabilities (defined benefit obligation)	(9,857)	(17,708)
Funded status	26	17
Surplus restriction	(26)	(17)
Recognised Pension Asset/(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 (with or without 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 30/09/2022 £000	At 30/09/2021 £000
Interest cost on obligation	(1)	(1)
Restriction on expected return on assets	1	1
Total SOFA Charge	–	–

Pension costs**Changes in the present value of the defined benefit contribution**

	At 30/09/2022 £000	At 30/09/2021 £000
Opening defined benefit obligation	17,708	18,109
Interest cost on obligation	342	287
Remeasurement (gains) –		
Actuarial (gains)	(7,802)	(396)
Benefits paid	(391)	(292)
Closing defined benefit obligation	9,857	17,708

Pension costs**Changes in the fair value of Scheme Assets**

	At 30/09/2022 £000	At 30/09/2021 £000
Opening fair value of Scheme Assets	17,725	18,146
Interest income	342	288
Remeasurement gains – return on Scheme assets excluding interest		
Income	(7,793)	(417)
Benefits paid	(391)	(292)
Closing fair value of Scheme Assets	9,883	17,725

Total amount taken to Other Comprehensive Income

	At 30/09/2022 £000	At 30/09/2021 £000
Actuarial return on scheme assets (losses)	(7,451)	(129)
Less: amounts included in net interest on the Defined benefit liability	(342)	(288)
Remeasurement (losses) – Return on Scheme assets excluding interest income	(7,793)	(417)
Remeasurement gains – actuarial gains	7,802	396
Deficit restriction	(9)	21
Remeasurement gain/(loss) recognised in Other comprehensive income	–	–

10 Tangible fixed assets

	Freehold premises	Building improvement	Fixtures & fittings	Office equipment	IT equipment	Assets under construction	Total
Cost	£000	£000	£000	£000	£000	£000	£000
At 1 October 2021	1,046	1,603	614	245	315		3,823
Additions during year						109	109
Disposals							
At 30 September 2022	1,046	1,603	614	245	315	109	3,932
Depreciation At 1 October 2021	502	855	604	215	229		2,405
Charge for the year	21	80	3	15	57		176
Released on disposal							
At 30 September 2022	523	935	607	230	286	–	2,581
Net Book Value							
At 30 September 2022	523	668	7	15	29	109	1,351
At 30 September 2021	544	748	10	30	86	–	1,418

All assets are used for the charitable activities of RCOT.

There was no amount of capital authorised and contracted for as at 30 September 2022.

11 Fixed assets investments

	Market value 30/09/2022 £000	Additions £000	Disposal Proceeds £000	Net (losses) £000	Market value 30/09/2021 £000
UK Equities	4,141	67	(3,435)	(95)	678
Alternatives	671	526	(288)	(35)	873
Fixed Income	1,220	883	(636)	(197)	1,269
Overseas Equities	3,024	355	(1909)	(262)	1,208
Property	–	117	–	(24)	93
Sub total	9,056	1,948	(6,268)	(613)	4,122
Cash held in investment portfolio	690				215
Total	9,746				4,337

The total cost of investments held by RCOT at 30 September 2022 was £4,428,641 (2021: £9,300,302)

12 Debtors

	2022 £000	2021 £000
Amounts due within one year		
Trade Debtors	58	40
Other Debtors	34	7
Taxes & Social Security	–	–
Prepayments and Accrued Income	231	233
Amount due from BAOT	2,784	682
	3,108	962

13 Creditors

	2022 £000	2021 £000
Amounts due within one year		
Trade Creditors	280	318
Taxes & Social Security	137	117
Pension Scheme	50	–
Accruals & Deferred Income	850	681
	1,317	1,116

The amount of Deferred Income at the beginning of the year was £138,863. During the year, the whole of this amount was released to the SOFA, while a further £341,963 of income was created. The balance of Deferred Income at 30 September 2022 was £341,963.

14 Share capital

	2022 £	2021 £
Authorised Ordinary shares of £ each	100	100
Allotted and fully paid Ordinary shares of £1 each	3	3

15 Restricted funds

	Balance 30/09/21 £000	Incoming Resources £000	Resources Expended £000	Balance 30/09/22 £000
ISP Annual Award	26	–	–	26
ISP Scholarship	1	–	–	1
Elizabeth Casson	1	–	–	1
Elizabeth Casson PD	2	–	–	2
COVID funds	15	–	(7)	8
Health Education England – Neonatal	13	–	(2)	11
Health Education England - AHP Workforce Reform	–	300	(55)	245
	58	300	(64)	294

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:** It is a hardship fund for members during COVID-19.
- **Health Education England – Neonatal:** This project is for developing resources for members' learning.
- **Health Education England AHP Workforce Reform:** HEE are funding £300k to deliver specific project work to help shape the future of the AHP Workforce.

16 Designated funds

	Balance 30/09/2021 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Balance 30/09/2022 £000
Pension Scheme	1,156	–	–	–	1,156
RCOT branches	875	196	(174)	–	897
UKOTRF	290	–	(36)	–	255
Transformation Project	–	2,500	(123)	–	2,377
Building Project	–	2,500	(11)	–	2,489
	2,321	5,196	(344)	–	7,173

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

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.

The transformation fund is to support our five year strategic plan, focused around separate transformation projects.

The building project fund is to support our building project by transforming our building into viable commercial space with the view to generating commercial rental income.

17 Analysis of net assets between funds

	Tangible Fixed Assets £000	Investments £000	Net current Assets £000	Total £000
Restricted Funds	–	–	294	294
Designated Funds	–	–	7,239	7,239
Unrestricted Funds	1,351	4,337	1,447	7,135
	1,351	4,337	8,980	14,668

18 Reconciliation of movement in share capital and charitable funds

	2022 £000	2021 £000
(Loss)/gain for the financial year	(1,274)	1,539
Shareholders' funds at 1 October	15,680	14,141
	14,406	15,680

19 Analysis of changes in net funds

	At 1 October 2021 £000	Cashflows £000	At 30 September 2022 £000
Cash at bank and in hand	1,954	3,236	5,190
Cash held as liquid investment	2,716	(978)	1,738
Cash held in investment portfolio	690	(475)	215
	5,360	1,783	7,143

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: Phoenix House, 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.

The balance of income over expenditure is paid to RCOT, a wholly owned subsidiary. This is in line with a Council decision. The amount to be transferred for the year ended 30 September 2022 is £6,420,066 (2021 owed to RCOT – £7,036,193). The outstanding balance owed from RCOT at the year end is £155,107 (2021: £682,409).

The total amount of expenses reimbursed to nine Council members during the year was £2,413. (2021: £4,089 paid on behalf of Council members).

Occupational therapists employed by RCOT have their subscriptions paid to BAOT by RCOT. These subscriptions, which were paid at normal rates totalled £4,587 for the year.

Section seven

Legal and administrative information



Legal and administrative information

Company details

Royal College of Occupational Therapists

A private company limited by shares registered in England and Wales (company no. 01347374), incorporated on 10 January 1978. A charity registered in England and Wales (no. 275119) and in Scotland (no. SC039573).

The organisation is governed under its Articles of Association (last amended October 2021) which establish the objects and powers of the organisation.

Registered office

Phoenix House, 106–114 Borough High Street, Southwark, London, SE1 1LB

Patron

HRH The Princess Royal, GCVO

Vice Presidents

Professor Sir Mansel Aylward CB

Professor Sir Clive Booth

Colin Ettinger

President

Professor Sheila the Baroness Hollins

RCOT Council members		
Name	Council role	Changes in reporting period
Professor Diane Cox	Chair	Retired 30 June 2022
Odeth Richardson	Chair	Elected 30 June 2022
Dr Kee Hean Lim	Vice Chair, International Affairs	
Cathryn Holding	Industrial Relations	
Paul Dunning	Wales	Elected 30 June 2022
Carmel Harney	Northern Ireland	Interim from 30 June 2022
Kalimah Ibrahiim	England	
Samantha Flower	Scotland	
Dr Duncan Pentland	Research and Development	Retired 30 June 2022
Professor Priscilla Harries	Research and Development	Interim from 30 June 2022
Lisa Ledger	Learning and Development	Retired 19 April 2023

RCOT CEO and senior leadership team members

Name	Council role	Changes in reporting period
Steve Ford	CEO and Company Secretary	
Karin Bishop	Director of Movement Building and Membership	
Clare Cochrane	Director of Brand and Marketing	
Karin Orman	Director of Practice and Innovation	
Satvinder Reyatt	Director of People, Finance and Governance	Joined 7 March 2022
Rob Smyth	Director of Strategy, Technology and Transformation	Joined 3 January 2023
Diana Atkinson	Director of Human Resources	Left 1 March 2022
Simon Leicester	Director of Finance and Corporate Services	Left 15 August 2022

Professional advisors

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Bankers

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

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

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

We live and breathe our values



We Impact

We make meaningful differences with all our work.

We prioritise work that achieves our shared purpose and strategy.

We go above and beyond for the people who need us.



We Elevate

We lift up and support others to be and do their best.

We are accessible and collaborative.

We are united and move forward together, even if we sometimes disagree.



We Challenge

We find new and better ways to make things happen.

We are brave and bold in our ideas and actions.

We challenge ourselves, each other and the status quo.



We Respect

We value each other and celebrate our differences.

We are approachable, genuine and trustworthy.

We listen to others and believe everyone's views should be heard.

We're RCOT, the Royal College of Occupational Therapists. We've championed the profession and the people behind it for over 90 years; and today, we are thriving with over 35,000 members.

Then and now, we're here to help achieve life-changing breakthroughs for our members, for the people they support and for society as a whole.

rcot.co.uk

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