



Royal College of Physicians of Edinburgh

Annual Report and Accounts

For the year ended 31 January 2022

A charity registered in Scotland, no. SC009465

Royal College of Physicians of Edinburgh Treasurer's Report For the year ended 31 January 2022

I am very pleased to present the Annual Report and Accounts for 2021/22, which reviews the activities and achievements of the College over the financial year to 31st January 2022.

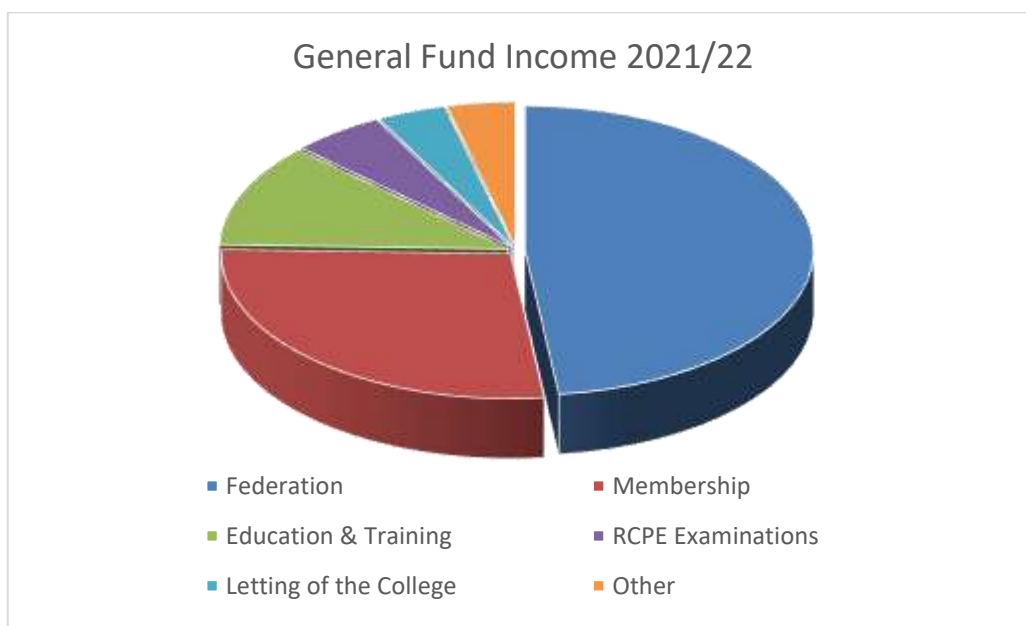
The report provides a range of information required by the Office of the Scottish Charity Regulator (OSCR) and other regulatory bodies on the operations of the College as both an independent, professional medical body and charity.

At its heart, however, it places emphasis on the core purpose of the College to promote and improve the quality of health and patient care worldwide.

Although the COVID-19 pandemic is still with us and continues to impact on people's lives, the profession and the NHS, the College remains well placed to provide practical guidance, resources and information to support the work and welfare of our Members and Fellows. We have also worked hard in the last year to restore College activities back to where we were pre-COVID-19 and focused effort on adapting systems and process to encompass new working environments and styles. In doing so we now provide high-quality courses, symposia and events online, in a hybrid format and increasingly in person.

We continue to work closely with our Federation partners, the Royal College of Physicians of London and the Royal College of Physicians and Surgeons of Glasgow, to provide postgraduate training, continuing professional development and the globally delivered MRCP (UK) examination. The MRCP(UK) Practical Assessment of Clinical Skills (PACES) was reintroduced in its pre-pandemic form in many examination centres. We are acutely aware that some candidates continue to wait to sit the examination but are working with our partner Colleges to increase our delivery capacity, in the UK and internationally. Supporting early career physicians to move smoothly and quickly through key stages of their training remains a primary focus, and we hope to bring more international centres to life again in the coming year. We are also working collaboratively with our Federation colleagues to improve the underlying IT infrastructure supporting the MRCP (UK) examination and to enhance the financial management and governance of this important partnership.

Focusing on College finances, myself and my finance team have continued to act to control costs and address the deficit suffered in the previous financial year. The figures for 2021/22 demonstrate good progress, however, I retain concerns that the financial fortunes of the College are greatly determined by the performance of Federated activities. The pie chart below demonstrates this clearly with almost 50% of the College's General Fund income generated through Federation. In response, work is in progress to develop existing and new College business streams.



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Treasurer's Report

For the year ended 31 January 2022

Looking forward, we are facing a number of financial challenges arising post pandemic as well as due to recent global events. We must act to address these financial pressures although we will continue to place emphasis on delivering value for Fellows and Members. In parallel, we will need to employ College resources wisely, make informed choices as we build and develop College services and not act precipitously. We will continue to work hard to ensure that we protect and develop the assets of the College in accordance with its strategy and mission.

Finally, I would like extend my thanks to my colleagues and others who contribute voluntarily to the work of the College and give of their precious free time at a time when that has been greatly reduced.

A handwritten signature in black ink that reads "Kathleen D. White". The signature is written in a cursive, slightly slanted style.

Dr Kathleen White, FRCP Edin.

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The Council of the Royal College of Physicians of Edinburgh ('the College') is pleased to present its annual report for the year ended 31 January 2022, together with the financial statements for the same period. The annual report and accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting and Reporting by Charities and Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Reference and administrative details

Charity name: Royal College of Physicians of Edinburgh
Charity registration number: SC009465
Principal office: 11 Queen Street, Edinburgh, EH2 1JQ
Main website address: <http://www.rcpe.ac.uk/>
Events website address: <https://venue.rcpe.co.uk/>

Charity Trustees

The Charity Trustees comprise elected and appointed members of Council.

Elected members of Council

Fellows based in the UK elect the constituency members of Council, and all UK and international Fellows elect the President and Vice Presidents. UK Collegiate Members elect the members of the Trainees and Members' Committee, who in turn formally elect a Chairman and Secretary who serve on Council ex officio.

Elected members of Council have in recent years served for up to two consecutive three-year terms of office. In 2021, Council took note that the Royal Charter mandates that annual elections are held for elected members of Council. In response, Council introduced annual elections for elected members and agreed they should, by convention, serve a minimum of three consecutive annual terms to ensure continuity and retention of experience, but should not serve more than six consecutive annual terms. Annual elections took place most recently in March 2022.

The elected members comprised:

President:	Professor Andrew Elder	
Acting President:	Professor Angela Thomas	(demitted June 2021)
Vice Presidents:	Professor Sunil Bhandari (England & Wales) Dr Conor Maguire (International) Dr Susan Pound (Scotland and Northern Ireland)	
Constituency members:	Dr Anne Scott Dr Hamish Courtney Professor Abdallah Al-Mohammad Dr Catherine Labinjoh Dr Alison Falconer Dr Caroline Whitworth Dr Kevin O'Kane Dr Arjune Sen Dr Emmanuel Kofi Obuobie Dr Neeraj Bhala Dr Laura Clark Dr Andrew Coull Dr Helen Liddicoat Dr Caroline Scally Dr Jane Wallace Dr Louise Bath Dr Graeme Currie Dr Hannah Skene Dr Stuart Richie Professor Jean McEwan Dr Sunil Dolwani Dr Paula Midgley	(resigned September 2021) (resigned April 2021) (demitted February 2021) (demitted February 2021) (demitted February 2021) (demitted February 2021) (demitted February 2021)

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Dr Thomas MacKay	(demitted November 2021)
Dr John Davidson	(demitted December 2021)
Dr Marion Slater	(demitted March 2022)
Professor Gregory Y H Lip	(demitted March 2022)
Dr Patrick Byrne	(demitted March 2022)

Other elected members:

Dr Nicola Robinson (Trainees and Members' Committee) (Co-chair)	
Dr Jonathan Guckian (Trainees and Members' Committee) (Co-chair)	
Dr Addy McLeod (Trainees and Members' Committee) (Chair)	(demitted September 2021)

Appointed members of Council

All appointed members, including honorary Office Bearers and faculty representatives serve on Council ex officio, are appointed by Council itself and serve up to two terms of three years. The appointed members comprised:

Treasurer:	Dr Kathleen White	
Secretary:	Professor Mark Strachan	(appointed June 2021)
Interim Secretary:	Professor Jean McEwan	(demitted June 2021)
Director of Education:	Professor Jeremy Hughes	(resigned June 2021)
	Dr Kerri Baker	(appointed October 2021)
Director of Examinations:	Dr Rod Harvey	
Director of Quality, Research & Standards:	Dr Jean MacLeod	(demitted February 2022)
	Vacant	
Director of Training:	Dr Dawn Ashley	
Director of Heritage:	Professor Angela Thomas	
Equality, Diversity & Inclusivity Group:	Dr MaryAnn Ferreux (Chair)	(appointed May 2022)

Other appointed members:

Professor John Connell (Academic Medicine)	(demitted February 2021)
Professor Sunil Bhandari (Academic Medicine)	(appointed February 2021)
Professor Angela Thomas (Faculty of Pharmaceutical Medicine)	
Dr Martin McKechnie (Royal College of Emergency Medicine)	
Dr Mark Kroese (Faculty of Public Health)	(resigned June 2021)
Professor Linda Bauld (Faculty of Public Health)	(appointed October 2021)
Alex MacDonald (College Lay Advisory Committee)	

Other principal Office Bearers

Editor-in-Chief of the Journal	Dr Graeme Currie	(appointed February 2022)
	Dr Vinod Ravindran	(resigned December 2021)

Trustees

Council appoints four Fellows who, together with the Treasurer (ex officio), act as Trustees and have delegated authority to manage the investment portfolio. The Trustees comprised:

Dr Kathleen White	
Professor John Connell	(appointed February 2021)
Professor Sir Alan Craft	(appointed February 2021)
Dr Deepak Dwarakanath	(appointed April 2021)
Ms Elaine Tait	(appointed April 2021)
Dr Michael Watson	(resigned February 2021)

Key management personnel

Chief Executive Officer	Mr Keith McKellar
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Professional advisors

The College employs the services of the following professional organisations:

Auditors:

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Principal bankers:

Bank of Scotland
75 George Street
Edinburgh
EH2 3EW

Solicitors:

Gillespie Macandrew LLP
5 Atholl Crescent
Edinburgh
EH3 8EJ

Investment advisors:

Adam & Company Investment Management Ltd
25 St Andrew Square
Edinburgh EH2 1AF

Structure, governance and management

Governing document

The College is constituted by Royal Charter and registered with the Office of the Scottish Charity Regulator (OSCR) and HM Revenue & Customs under charity number SC009465. The laws of the College specify governance arrangements and are amended as required at meetings of the College.

Governance and organisational structure

The College has delegated strategic and operational decision taking to Council, which, as the governing body, meets at least five times a year to manage the charitable activities of the College in accordance with its objectives. Council holds the President and Vice Presidents, the appointed Office Bearers and the Chief Executive Officer responsible for the implementation of College policy.

The College implements policy through a committee and departmental structure. The reporting line to Council is through a series of committees, which include the:

- Fellowship Committee;
- Trainees and Members' Committee;
- Education Strategy Group and various sub-committees;
- Finance Committee;
- Library Committee; and the
- Lay Advisory Group.

It also discharges many of its assessment, specialist training and continuing professional development (CPD) duties through membership of the Federation of Royal Colleges of Physicians of the United Kingdom (the Federation). The Federation is a partnership of the three medical royal colleges of physicians in the UK, established to manage joint working in agreed areas such as assessment, specialist training and professional development activities, operating under a formal Memorandum of Agreement. The three partners involved are the Royal College of Physicians London, the Royal College of Physicians Edinburgh and the Royal College of Physicians and Surgeons Glasgow.

Council delegates authority for the management of the investment portfolio to the appointed Trustees.

Recruitment and induction of Charity Trustees

All Fellows of the College who are in good standing are able to stand, nominate and vote for the office of President or Vice President of the College. Fellows of the College in good standing in the UK elect the constituency members of Council. UK Collegiate Members elect members of the Trainee and Members' Committee, who in turn formally elect a Chair and Vice Chairs, with two seats at Council. Office Bearers appointed to Council are selected through open competition. Fellows are invited to apply for Office Bearer roles and selection is made by an interview panel, normally comprising senior elected members of Council.

All those elected or appointed to Council are considered Charity Trustees.

On appointment or election, all elected or appointed Council members are given an induction session by the President or Chief Executive Officer. In addition, they receive literature explaining their obligations as a Charity Trustee, as well as updates on their responsibilities and related governance issues.

Arrangements for setting the pay and remuneration of key management personnel

The College considers that its key management personnel comprise the Office Bearers and Chief Executive Officer. No Trustees receive any remuneration beyond reimbursement of expenses incurred during College activities. The College's pay structure provides salaries commensurate with evaluated job descriptions for all employees including the Chief Executive Officer. Pay rates are reviewed annually by a remuneration sub-committee of the Finance Committee. Cost of living awards are negotiated with Unison through the Joint Negotiating Committee.

Affiliations and relationships with co-operating organisations

The College is a member of The Federation of Royal Colleges of Physicians of the United Kingdom along with the Royal College of Physicians of London and the Royal College of Physicians and Surgeons of Glasgow. The Federation is a partnership of the three medical royal colleges of physicians in the UK established to manage joint working in agreed areas such as assessment, specialist training and professional development activities. In addition, the College is a member of both the Academy of Medical Royal Colleges, known as the 'UK Academy', and the Academy of Medical Royal Colleges and Faculties in Scotland, known as the 'Scottish Academy'. The UK Academy is a charity incorporated as a company limited by guarantee and speaks on standards of care and medical education across the UK, by bringing together the

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expertise of the medical Colleges and Faculties. The Scottish Academy is an unincorporated body comprising the College leads in Scotland and has a similar purpose to the UK Academy.

Grant making policy

The College holds a number of trusts and funds, which contain sums bequeathed or set aside for specific areas of research, education or a more general use. Each fund has specific criteria for usage as set out in the College Trust and Fund Framework. These criteria must be met before grants and awards are released.

The trusts and funds support a wider range of awards and scholarships which seek to recognise excellence in teaching, training, research and service innovation. They are advertised on a dedicated page on the College website at <http://www.rcpe.ac.uk/college/awards-and-scholarships>. Applications are normally considered on a case-by-case basis.

The College, in partnership with the University of Edinburgh, awards a number of scholarships to support postgraduate students taking an MSc in Internal Medicine or Critical Care. Applications are invited annually. The College also supports a number of research fellowships, the largest of which is the JMAS Sim Fellowship, which funds research into depressive illness. Applications are normally invited on an annual basis.

Objectives and activities

The Royal College of Physicians of Edinburgh mission is to promote and improve the quality of health and patient care worldwide. Through its current cohort of over 14,000 Fellows and Members worldwide, it meets this purpose by maintaining standards of training, assessment and professional development and helping physicians and other medical practitioners pursue and enrich their careers by influencing health policy and through its world-renowned education and training programme.

In order to achieve its mission the College has set four strategic aims as part of its five-year strategy:

- To be the voice of physicians, shaping and influencing healthcare policy around the world;
- To build an inclusive and collaborative global community that supports physicians across all stages of their careers, furthering the College's network of Fellows and Members;
- To deliver lifelong learning for a sustainable health system using the College's expertise, heritage and cutting-edge technology to benefit physicians and patients;
- To create a world-class infrastructure that underpins everything we do.

Achievements and performance

Membership

The Trainees and Members' Committee (T&MC) continued with their successful programme of Evening Medical Updates for the year 2021-2022, which were held virtually. They also ran their 'Top Tips for the On-Call Medic' symposium in January 2022. For the second year running this event was held virtually with virtual poster presentations throughout the day. Over 200 attended this online event from across the world and the feedback was overwhelmingly positive.

The T&MC continued to be involved with high-level discussions on the impact of COVID-19 on training. The Committee continue to communicate using all forms of social media including Instagram and Twitter, with increasing use of reels and graphics to stimulate engagement.

The Recently Appointed Consultants' (RAC) Committee held successful evening updates on 8 March and 16 November 2021. This covered topics such as the virtual consultation, engagement with the public and lessons from the pandemic. Keynote speakers included Dr Helen Bevan and Professor Linda Bauld. Over 500 delegates attended these events with positive feedback and good discussion.

Reasonable progress was made in relation to both recruitment and retention, given the demands on physicians of the continuing COVID-19 pandemic. In total, 408 new Fellows were elected in 2021. The retention of Fellows and Members was affected only very slightly by the pandemic, with the vast majority renewing their annual subscriptions.

Our New Fellows' ceremonies are highly valued by Fellows, however due to continuing travel restrictions, new variants of COVID-19 and uncertainty caused by the pandemic, the New Fellows' Ceremonies which had been scheduled for 2021 were postponed.

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External relations

Ahead of the Scottish Parliament election in 2021, the Policy and Public Affairs team produced a policy priorities document, outlining the College's 'key asks' for healthcare in Scotland. This was sent to Members of the Scottish Parliament, in advance of the election. The College also produced a report on drug-related deaths, which was distributed to the Scottish Government, as well as to Members of the Scottish Parliament and was widely referenced in the media.

The College held a programme of meetings with key political and policy stakeholders across the UK to discuss healthcare and wider policy issues related to COVID-19 and drug-related deaths, which are ongoing public health challenges. Engagement with key parliamentary and civil service stakeholders has continued, including meetings with the Scottish Government Cabinet Secretary for Health and Social Care and the Minister for Drugs Policy. The Minister for Public Health and Sport was the keynote speaker for an event co-organised by the College on social prescribing and access to sport. The College submitted 40 separate consultation responses during 2021.

The College continues to be represented at various cross-party groups, host Scottish Health Action on Alcohol Problems (SHAAP) and is a founder member of the Scottish Obesity Alliance.

We have continued to provide effective communications to our Members, Fellows and wider stakeholders through a mix of targeted emails, highlighting educational and membership events which have ensured the engagement rate with our audiences remains high. Whilst communication via email still remains the most effective method, there is continued growth through the College's social media channels. After the unprecedented growth of visits to the main College website during the pandemic, site visits stabilised during this period and have maintained high levels of engagement.

The College's Lay Advisory Committee met regularly throughout the year and continue to exert a positive influence over the College's strategy and policy positions.

Heritage

The College's 'Physicians' Flowers' exhibition, previously delayed due to the pandemic, was held in the Physicians' Gallery exhibition space between 19 July 2021 and 8 April 2022.

The Heritage team increased its digital web and social media presence significantly in 2021, with:

- 13,147 podcast downloads
- 1,149,900 Tweet impressions
- 48,634 Youtube video views
- 75,030 Heritage webpage visits

Remote & Rural Remedies was launched in May 2021. This digitisation project explores medicine in the Highlands and Islands through digitised collections, online exhibitions, interviews and activities.

The Heritage team took over responsibility for the College's Schools Lecture programme and delivered three successful online lectures in autumn 2021. Other school engagement projects were also launched, including a collaborative project with the 'You Can Be a Doctor' charity to bring doctors into classrooms and the delayed 'Museum in a Box' project. The latter consists of school loan kits containing original objects, facsimiles and classroom activities. All the loan boxes have been continuously fully booked since their launch.

Quality Governance Collaborative

The Quality Governance Collaborative (QGC) is committed to developing a new, integrated approach to quality governance in healthcare. The QGC brings together multi-professional groups to improve the practice of quality governance and ensure that health systems continue to deliver for patients. The QGC fellowship programme has continued with places fully subscribed and the College has continued to work to build links with the World Health Organization (WHO).

Cohort 2 of the fellowship completed late due to COVID-19 in November 2021. Cohort 3 ran throughout the year, with the final module taking place in April 2022. The cohort from NHS Greater Glasgow and Clyde commenced in December 2021.

The inaugural cohort in Lithuania commenced in October 2021 – with a successful and well attended hybrid launch. The curriculum and modules were agreed between RCPE QGC, the Lithuanian Government and WHO. The cohort completed in April 2022, with a culmination ceremony, hosted by Her Majesty's Ambassador to the Republic of Lithuania – Mr Brian Olley, in Vilnius in May 2022.

Education, Training and Assessment

Following on from changes to the delivery of Education, Training and Assessment (ETA) in 2020-21, online delivery comprised a large part of 2021-22 delivery. Education has continued to build and develop on the success of moving the full education programme online during 2020, improving course delivery and delegate experience. During 2021-22, Education

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delivered 59 events engaging with 27,071 delegates. Online delivery has facilitated an increase in reach for the core symposia of 65.5%. More non-clinical content has also been added to the programme. In December 2021, the College's COP26 webinar series began focussing on Climate Change and Health. The suite of webinars had a wide range of UK and international speakers, including the Chief Medical Officer and representatives from WHO, UK Government, academia and clinical practice. Joining the live events were 1,300 delegates from a diverse range of countries worldwide including Afghanistan, Australia, China, India, Myanmar, Poland, Peru, Sri Lanka, Turkey, Ukraine and the USA.

International Medical Updates (IMUs) continued to develop with well attended events from Nepal, Sri Lanka, Bangladesh, Iraq and Pakistan.

Podcasts increased in popularity with the Trainees and Members' Committee (T&MC) led podcast, Clinical Conversations, being played over 33,000 times during 2021-22. More than 24,000 hours of video content were viewed on the Education Portal, supporting education, training and professional development of Fellows and Members. Work is ongoing to ensure accessibility of content including the provision of captioning.

International work continues with specific projects in Malawi (resources for a rural hypertension screening project) and Zambia (equipment for a clinical skills lab). Scholarship and MSc delivery with the University of Edinburgh continues, alongside two Massive Open Online Courses (MOOCs) on 'Self Care and Wellbeing' reaching 133 countries and 'COVID-19 Critical Care Understanding and Application' with 53,000 learners in 200 countries.

The pandemic had a direct impact on the delivery of Practical Assessment of Clinical Examination Skills (PACES), with reduced capacity and two stations delivered remotely. From Exam Diet 2 of 2022, PACES will return to a complete face-to-face format, allowing new centres to restart and increase capacity. With the continued loyal support of examiners and host centre teams we have the potential to increase delivery capacity further.

September 2021 saw the first MRCP Diploma ceremony in the College since December 2019. The ceremony was live streamed to family and friends.

Corporate Services

Despite the ongoing impact of lockdowns and government restrictions, the Venue team exceeded their income targets for commercial letting of College spaces by around 10%. Recovery was strong across the social sector with increasing demand for weddings and celebrations, supported by a rising confidence across the corporate and association market of a meaningful return to business. The use of furlough and careful management of venue staffing levels controlled labour costs; improvements in infrastructure in response to the pandemic ensured the College continued to be well placed to deliver high quality events across all formats – hybrid, virtual and face to face.

The IT team provided a solid and secure infrastructure base through which to support customer needs. College staff were well supported to work remotely, with ongoing improvements to the underlying flexibility and quality of these services, and to make the gradual transition to hybrid working. Forward planning ensured there was flexibility in the wider suite of remote services to support the successful delivery of College and commercial events across a range of hybrid and remote platforms. The security and safety of data was a primary focus with updates in hardware and software as well as improvements in backup and disaster recovery services. The College also committed to the Cyber Essentials programmes to ensure appropriate audit of its IT data security systems services.

HR played a key role in supporting staff through the challenges of working remotely, providing support and advice as restrictions changed and preparing staff for the partial return to the office. The process of updating HR systems and records to an electronic format continued. This helped greatly as the College emerged from the heart of the pandemic and the team sought to keep pace with growing movement of staff and recruitment levels, illustrated by the doubling in number of recruitment campaigns in 2021 compared with previous years.

Partnerships and collaborations

In addition to a number of principal collaborations and partnerships noted above, for example with SHAAP, the WHO and the Lithuanian Government, the College also supports and makes a contribution to the work of the UK and Scottish Academies.

In collaboration with the Scottish Academy of Medical Royal Colleges, the College provides secretarial and administrative services to the Scottish Academy as well as managing the support service which places external clinical advisers on NHS clinical recruitment panels across health boards in Scotland. In 2021, this government-funded service provided 300 trained External Advisers (all current NHS Clinical Consultants) for remote and face-to-face interview panels across all specialties in line with the NHS (Appointment of Consultants) (Scotland) Regulations 2009. These resulted in 553 consultant appointments over the period. A key function of the College External Adviser team is to work closely with Health Boards collecting and analysing qualitative and quantitative data to highlight any consultant recruitment concerns directly with the Scottish Government Head of Recruitment Strategy.

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Further information on the work of the College is available on the main College website at <http://www.rcpe.ac.uk>.

Financial review

Over the reporting period, the College returned a total surplus of £1,703,445 (2021: deficit £479,268).

Incoming resources

Incoming resources increased by £1,178,198 to £7,324,967 as operations began to return to normal following the easing of COVID-19 restrictions.

Examination income rose by £831,006. This improvement was supported by successful delivery of an online version of the MRCP (UK) written exam and development of a sustainable delivery model for the clinical (PACES) examination which led to increased capacity in the UK. International exams continued to be affected by significant operational restrictions.

Education and training income rose by £385,694 underpinned by the successful delivery of the College educational programme online as well as solid demand. The number of students taking the MSc for Internal Medicine and Critical Care programmes also rose. Income generated through postgraduate training activities managed by the Joint Royal Colleges of Physicians Training Board (PTB) rose slightly due to an increase in subscribers to the ePortfolio. This mitigated the ongoing impact of COVID-19 on PTB international partnership activities and enrolment.

Income from the letting of rooms and facilities rose by £148,980. The College delivered a range of commercial and social events through the newly developed hybrid and virtual models despite continuing restrictions due to COVID-19. There was also improved demand for in-person events with a sharp rise in weddings as well as demand for celebration events and filming.

Other streams of business saw more modest gains. The College was able to maintain income across Membership activities helped by an increase in new Fellows. Income generated through the Quality Governance Collaborative rose by £68,251 with the delivery of RCPE and bespoke fellowships in collaboration with WHO. Investment income also rose by 8% to £280,157.

The Scottish Government continued to support the work of the Scottish Health Action on Alcohol Problems (SHAAP) as well as providing ongoing funding for the External Adviser service supporting consultant recruitment across Health Boards in Scotland.

The College also received grant support through the UK-wide furlough scheme of £33,348 (2021: £224,514) ahead of its closure in September 2021.

Resources expended

The careful management of costs over the period was central to mitigating the continuing effects of COVID-19 on College operations and addressing the impact on working capital in the previous year. Overall, costs decreased by £229,950 to £6,260,767 across all funds.

Examination costs rose modestly, by £32,701. This was primarily due to the rising cost of delivering the clinical examination (PACES) in the UK due to increased demand and more stringent safety guidelines under COVID-19.

Education and training costs decreased by £145,840 due to savings arising from the online delivery of the programme as well as revised costs for delivery and course development of the MSc in Internal Medicine and Critical Care. These savings were offset by a rise in the cost of publishing the College Journal of £95,525 following the decision to publish four hard-copy editions ahead of taking it online in 2022.

Measures taken in the previous financial year to reduce salary costs in light of the ongoing pandemic, including the re-organisation of the senior management team and a small number of redundancies, continued to have an impact in this year, with salary costs falling by £385,930. Professional fees also fell back from the exceptional levels of the previous year to £226,383. They remained higher than normal as the College remained committed to investigating the past financial management and governance of Federation and invested in re-defining the future governance structure of the College.

Balance sheet

Investment values within the College Portfolio rose by £644,696 (6%) as markets began to recover following COVID-19. Net current assets rose by £917,402 across all funds, as the working capital lost over the period of the pandemic was restored. Cash balances across all funds remain at an acceptable level to meet future financial commitments and to ensure the

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College is a going concern. Included within the balance sheet results is the College share of Federation assets and liabilities.

Federation

Examinations and education, training and assessment results for the College include revenue generated and resources expended through assessment, specialist training and professional development activities delivered collaboratively by the Federation of Royal Colleges of Physicians (see note 3 and 7). Creditors include a provision for the RCPE share of liabilities arising from the pension scheme held by Federation the value of which is determined by actuarial valuation (see note 15).

In April 2022, Shipleys LLP completed a comprehensive audit of the financial statements of Federation to December 2021 in accordance with the terms of the Memorandum of Agreement and the scope of audit agreed by the partner Colleges. Shipleys did not provide an audit opinion but did comment on areas of weakness of financial management and governance, making recommendations for improvement. Notwithstanding that the Shipleys audits were not full statutory audits, no material audit errors or misstatements were identified.

This audit confirmed that the Royal College of Physicians of London had completed the settlement of cash owed to Federation of £5.7m (as at 31st December 2019) by the end of September 2021. Council in accordance with charity law and their duties as charity trustees have agreed to investigate how such a position could have arisen and any immediate and historic benefits gained by the London College by holding a debt to Federation. This investigation remains active.

The Federation of Royal Colleges and the partner Colleges continue to work collaboratively to enable the improvements to financial management practices and governance recommended by Shipleys LLP.

Investment policy and performance

Investments are held as part of a portfolio managed by Adam & Company Investment Management Ltd. The Trustees of the investment portfolio have instructed them to invest to maximise total return on all funds within the constraints of a medium risk investment portfolio. This includes a bias towards companies with strong balance sheets and visible, reliable earnings. The current investment brief encourages a diversified profile for the portfolio designed to generate an agreed revenue target of around £300,000 per annum but also provide for capital growth. The ethical criteria prohibit investment in companies that manufacture tobacco. The portfolio is diversified across fixed interest and equity asset classes.

Headlines in year impacting on portfolio performance include:

- 2021 saw a rapid recovery in equity markets. Global mergers and acquisitions surged more than 50% and capital raised hit record highs. Global equities almost doubled in value from the lows of 2020.
- The College continued to hold fixed income assets for diversification and as a “shock absorber” against the more volatile equity market. However, fixed income values were negatively impacted in the face of inflation and an upward trend in interest rates.
- Limitations on travel and leisure meant consumer spending focused on goods. This drove demand to unprecedented levels, placing strain on supplies. Events in Ukraine and China’s zero COVID-19 policy have added to this pressure on supply chains increasing the price of goods, transportation and fuel and lifting inflation to levels last seen in the 80s.
- The economic outlook and earnings remain dependent on shifts in growth and inflation. Equities with good margins are likely to be most resilient as should be assets focused on property and infrastructure, which can pass-through inflation. Government and corporate bonds will struggle at the start of an interest-rate raising cycle.

The value of investments held by the College at the period end was £12,173,759 (2021: £11,529,063). Income received in the financial year was £280,157 (2021: £259,770). The portfolio total return after fees was 8%, with equities making a positive contribution but bonds detracting.

The Trustees recognise their responsibility under the Charities and Trustee Investment (Scotland) Act 2005 to periodically examine and appraise the performance of their investment manager. Accordingly, the Trustees have initiated a review of existing portfolio and investment management arrangements by an independent specialist firm. This includes a comparison with a range of other investment manager proposals and may subsequently lead to a formal tender process.

Reserves

The College has a balance of unrestricted reserves as at 31 January 2022 of £9,155,270 (2021 £8,236,236). Unrestricted reserves include fixed assets and investments of £7,480,547 leaving free reserves of £1,674,719 (see note 17). These are held as general and designated reserves and comprise the value of net current assets derived from past and current unrestricted operating results. Unrestricted reserves included £183,690 in respect of the liability arising pre 2019-20 in relation to the Colleges share in the Federation of Royal Colleges of Physicians pension scheme.

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An unrestricted revaluation reserve of £2,184,675 (2021: £2,184,675) is maintained in respect of heritable property which was valued at £6m as at 31st January 2022 (see note 11). The property valuation took place in January 2020.

The College currently holds unrestricted reserves of over one times its annual unrestricted operating costs which is considered by the College as adequate in respect of its status as a going concern.

Unrestricted reserves exclude restricted funds of £1,635,896 (2021: £1,436,321) and endowment funds of £11,043,434 (2021: £10,458,598), most of which are used to support specific purposes attributed to those funds only.

Assets held as custodian

The College acts as custodian of funds for administrative activities delivered on behalf of the Scottish Academy of Medical Royal Colleges and the balance of funds due to the College as at 31 January 2022 was £12,662 (2021: £9,484). The College also acts as custodian of funds for activities delivered within the Senior Fellows Club. The funds held as cash at bank by the College as at 31 January 2022 were £14,908 (2021: £8,679). For further information, see note 14.

Risk management

The Charity Trustees of the College have implemented processes by which they review, identify and assess major strategic risks and ensure that controls have been put in place, where necessary, to mitigate those risks. Responsibility for day-to-day risk management is delegated by Council to the senior management team. Operational risks are identified by that team and reported regularly to Council for discussion and approval. Risk management is a standing item on the agenda of Council with top risks summarised for trustees including those arising from shared activities through Federation. Reports include pre and post mitigation scoring and corrective action along with the direction of change.

Areas of significant risk reported to Council to date include:

- The continuing threat to the financial stability of the College from the operational and economic consequences of COVID-19 and the impact this could have on the ability of the College to meet the current and future needs of its membership.
- Remaining financial, governance and status concerns over Federation activity which could impact on the sustainability of this primary source of income, the long-term relationship of the College with key partners and the financial propriety of the College as a charity.
- The prospect of a Scottish vote for independence arising from post-pandemic economic and political turbulence and the impact this would have on UK and international partnerships through Federation.
- The threat to College systems from cyber-attack and the associated risk of information breach.

Remedial action to mitigate or remove these risks is focused on the following:

- Managing the underlying operational cost base of the College and seeking to grow turnover as the College returns to normal levels of operation post COVID-19. Central to this will be finding efficiencies and resourcing services appropriately.
- Maintaining a strong and influential presence at the heart of Federation to ensure it operates to the benefits of all partners. The College continues to work collaboratively with its partners to mitigate operational risks to Federation and support a programme of management and governance improvement.
- The newly established Operational Development Group continues to focus on improving the operational systems and processes of the College and ensuring systems and information is secure.
- The College continues to monitor the current political and economic environment in which it operates and engage with appropriate stakeholder bodies so it can monitor and react to any material changes in policy or direction.

Future plans

Membership

The Membership Services team has focused on work to introduce annual elections for the President, Vice Presidents and Council, with all of the elected Office Bearers and elected members of Council undergoing election at the Annual Meeting of the College on 25 March 2022. The Laws have now been amended to allow for annual elections in line with the requirements of the Royal Charter.

Work on the subscriptions cycle has resulted in more Fellows and Members paying their 2021/22 annual subscriptions than the previous year. The Fellowship Strategy Group has been meeting regularly to develop guidance for the Fellowship Committee, refine the criteria for election to Fellowship and to make recommendations to Council as required. Membership Services has been supporting an active rolling programme of UK and International Regional Adviser elections throughout

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the year. The boundaries of UK Regions are currently being reviewed by the Vice Presidents. The New Fellows' Ceremonies were postponed in 2021 and the first ceremony to be held following the COVID-19 pandemic will take place on 17 June 2022; some parts of the world still have COVID-19 restrictions in place so the majority of Fellows attending will be from the UK.

Our Trainee and Members' Committee will be planning their first hybrid symposium in February 2023, taking place at the College. The RAC Committee will be running their next evening event on 8 November 2022 which also hopes to be a hybrid event. Both the RAC and the T&MC will be having a call for nominations to join the Committee and we would encourage all Members and Fellows to contact the College if they are interested.

Quality Governance Collaborative

Applications closed in April 2022 for Cohort 4 of the fellowship programme. This Cohort is planned to commence in June 2022. Our Manchester fellowship was due to commence Dec 2020, following the RCPE QGC Annual International Governance Conference run jointly with Manchester. This conference was postponed due to COVID-19 and the subsequent launch of this fellowship has also been suspended. We are in continued discussions with Manchester to determine new dates for both the conference and fellowship.

Cohort 2 of the NHS Greater Glasgow and Clyde fellowship will commence following the completion of the first cohort. The expected commencement date is November 2022.

Education, Training and Assessment

Future developments for ETA include further development of the hybrid delivery model, bringing together the benefits of both online and face-to-face events. 2022-23 will see completion of a review of both fees and content analysis to ensure that we are delivering training that meets the needs of our Fellows and Members, both nationally and internationally. The Digital Education Group will reconvene to lead the development of digital materials, and the Education Portal will be reviewed and updated. Future developments within Examinations include the roll out of a new Federation CRM and exam management system and preparations for the delayed implementation of the PACES 2020+ exam alongside an increase in the number of exam centres to ensure continued delivery of PACES. MRCP Diploma ceremonies continue to increase in numbers with the introduction of gowns for all Diplomates attending the ceremony and celebrating their achievements.

Heritage

The College continues its engagement with the Highlands and Islands by developing an exhibition which explores the history of medicine in those regions and the College's role in them. This exhibition will open in Gairloch in September 2022 before moving to Caithness in November.

The Heritage team launched a virtual tour of Edinburgh's medical history in April 2022. This particularly focuses on the College's role in key medical advances and contains an illustrated map, photographs, text and videos.

Continuing the College's development of school engagement activities relating to medicine, a new website will be launched in autumn 2022 which will provide resources and activities exploring medical practices, past and present.

The College's latest exhibition, FOOD: Recipe or Remedy, opened to the public in April 2022. This exhibition uses the College's collections to explore the history of food-based medicine, gastroenterology and dieting over the last 600 years.

Corporate Services

For the Venue team the primary areas of focus in the coming year are responding effectively to increasing event activity and its changing nature, raising the green credentials of the venue and its services and enhancing health and safety policy. Corporate interest in commercial events has started to return and continues to grow as organisers plan for a "COVID-19 safer" summer and autumn 2022. The trend is towards physical in-person events and away from virtual platforms with conference delegate numbers onsite expected to increase to close to capacity. The Venue team are also planning to explore options for streamlining services through implementation of a diary system, rationalising catering services and centralising support services for both internal and external events. Furthermore, in support of the College's wider green initiatives, the venue is focusing on gaining green accreditation and improving energy efficiency to begin the journey towards a carbon neutral future. The latter will also address some of the cost pressures resulting from rising inflation.

In other areas, IT will be seeking to underpin the safety and security of data through enhancements to the software and hardware protections and vulnerability checks. Audit of security systems will also increase as the College seeks to achieve Cyber Essentials Plus and IASME Governance accreditation. Work will also continue on enhancing online and hybrid events platforms and services. Significant improvements in finance systems and frameworks will also be implemented focusing on digitisation of underlying processes including a new web expense system and upgraded direct debit collection. Tendering for a range of professional services including legal, investment and audit will also commence to ensure objectivity and to seek efficiencies. HR will focus on digitisation of its own processes as well as planning of a new training and

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development framework of staff to support development of the requisite operational and management skills to meet College needs but also to support retention of existing staff.

The ability to deliver on the above objectives noted above may be greatly impaired by the recruitment challenge facing the College and being felt by many organisations across all sectors at this time. The number of more experienced workers leaving the market as well as the rising competition for staff post COVID-19, as businesses seek to meet rising demand, has made for a very challenging employment market. The management teams of the College are currently exploring initiatives to reduce the impact on operations including short-term internships, support for graduate employment through partnerships with local universities etc.

Council's responsibilities

Council is responsible for preparing the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires Council to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, Council is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the various trust deeds and the Royal Charter of Incorporation. The applicable law also sets out Council's responsibilities for the preparation and content of the Annual Report. Council is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is charged with the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Council of the College on 31st August 2022 and signed on its behalf by:



Vice President: Dr Susan Pound



Opinion

We have audited the accounts of the Royal College of Physicians of Edinburgh for the year ended 31 January 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 January 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Council is responsible for the other information. The other information comprises the information included in the Annual Report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



Independent Auditor's Report to the Fellows and Members of the Royal College of Physicians of Edinburgh (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the trustees' report (Annual Report); or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council

As explained more fully in the Council's Responsibilities Statement set out on page 14, the Council is responsible for the preparation of accounts which give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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 gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Charities and Trustee Investment (Scotland) Act 2005.

Our audit procedures were designed to respond to risks of material misstatement in the accounts, 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.

**Independent Auditor's Report to the Fellows and Members of the
Royal College of Physicians of Edinburgh (continued)**



Auditor's responsibilities for the audit of the accounts (continued)

We focused on laws and regulations that could give rise to a material misstatement in the charity's accounts. Our tests included, but were not limited to:

- agreement of the accounts disclosures to underlying supporting documentation;
- enquiries of senior management and the Council;
- review of minutes of Council meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of accounts and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the accounts, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by members of the Council that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

Chiene + Tait LLP

**CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

22 September 2022

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities
for the year ended 31 January 2022

	Notes	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2022	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2021
		General	Designated				General	Designated			
		£	£	£	£	£	£	£	£	£	£
Income and endowments from:											
Donations, grants and legacies	2	43,935	-	217,315	-	261,250	364,815	-	143,735	-	508,550
Charitable activities	3	6,326,963	-	198,474	-	6,525,437	5,105,266	-	164,040	-	5,269,306
Other trading activities	4	258,123	-	-	-	258,123	109,143	-	-	-	109,143
Investments	5	19,998	6,103	254,056	-	280,157	20,124	7,912	231,734	-	259,770
Total income		6,649,019	6,103	669,845	-	7,324,967	5,599,348	7,912	539,509	-	6,146,769
Expenditure on:											
Raising funds	6	639,672	1,021	43,069	-	683,762	542,866	907	38,260	-	582,033
Charitable activities	7	5,086,801	85,983	404,221	-	5,577,005	5,437,100	81,219	390,365	-	5,908,684
Total expenditure		5,726,473	87,004	447,290	-	6,260,767	5,979,966	82,126	428,625	-	6,490,717
Net income/(expenditure) before gains and losses on investments		922,546	(80,901)	222,555	-	1,064,200	(380,618)	(74,214)	110,884	-	(343,948)
Net realised gains/(losses) on investments	12	4,854	1,463	-	61,716	68,033	(4,223)	(1,273)	-	(53,694)	(59,190)
Net unrealised gains/(losses) on investments	12	41,144	12,398	-	523,120	576,662	(5,432)	(1,637)	-	(69,061)	(76,130)
Loss on disposal of fixed asset	11	(5,450)	-	-	-	(5,450)	-	-	-	-	-
Net income/(expenditure)		963,094	(67,040)	222,555	584,836	1,703,445	(390,273)	(77,124)	110,884	(122,755)	(479,268)
Transfers between funds	17d	(200,828)	223,808	(22,980)	-	-	(358,009)	389,567	(31,558)	-	-
Net movement in funds		762,266	156,768	199,575	584,836	1,703,445	(748,282)	312,443	79,326	(122,755)	(479,268)
Reconciliation of funds:											
Total funds brought forward as previously stated	17	6,766,729	1,469,507	1,436,321	10,458,598	20,131,155	7,515,011	1,157,064	1,356,995	10,581,353	20,610,423
Total funds carried forward	17	7,528,995	1,626,275	1,635,896	11,043,434	21,834,600	6,766,729	1,469,507	1,436,321	10,458,598	20,131,155

The Statement of Financial Activities includes all gains and losses in the year and all incoming resources and resources expended derive from continuing activities. The notes on pages 21 to 39 form part of these accounts.

Balance Sheet
as at 31 January 2022

	Notes	Total funds 2022	Total funds 2021
Fixed assets		£	£
Tangible fixed assets	11	6,271,462	6,318,283
Investments	12 a	12,173,759	11,529,063
Other Investments	12 b	<u>78,760</u>	<u>78,760</u>
Total fixed assets		18,523,981	17,926,106
 Current assets			
Stocks		22,710	24,474
Debtors	13	1,282,085	1,407,197
Cash at bank and in hand	19	<u>5,996,731</u>	<u>4,654,674</u>
		7,301,526	6,086,345
 Creditors: amounts falling due within one year	14	<u>(3,614,474)</u>	<u>(3,316,700)</u>
Net current assets		3,687,052	2,769,645
 Total assets less current liabilities		22,211,033	20,695,751
 Creditors: amounts falling due after one year	15	<u>(376,433)</u>	<u>(564,596)</u>
Net assets		<u>21,834,600</u>	<u>20,131,155</u>
 Unrestricted funds	17	6,970,595	6,051,561
Restricted funds	17c	1,635,896	1,436,321
Endowment funds	17b	11,043,434	10,458,598
Unrestricted revaluation reserve	17	<u>2,184,675</u>	<u>2,184,675</u>
Total funds	17	<u>21,834,600</u>	<u>20,131,155</u>

Approved by the Council of the College on 31st August 2022 and signed on its behalf by:



Vice President: Dr Susan Pound



Treasurer: Dr Kathleen White

The notes on pages 21 to 39 form part of these accounts.

Statement of Cashflows

for the year ended 31 January 2022

		2022	2021
	Notes	£	£
Net cash provided by operating activities	18	<u>1,156,957</u>	<u>226,943</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		280,157	259,770
Purchase of property, plant & equipment		(95,058)	(116,699)
Purchase of investments		(2,050,905)	(619,422)
Proceeds from sale of investments		<u>1,926,082</u>	<u>880,402</u>
Net cash provided by investing activities		60,276	404,051
Cash flows from financing activities:			
Receipt of endowment		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	19	<u>1,217,233</u>	<u>630,994</u>
Cash and cash equivalent brought forward		<u>5,257,722</u>	<u>4,626,728</u>
Cash and cash equivalents carried forward	19	<u>6,474,955</u>	<u>5,257,722</u>

The notes on pages 21 to 39 form part of these accounts.

1 Statement of accounting policies

a) Basis of preparation of financial statements and assessment of going concern

The financial statements of the College are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The College is a public benefit entity as defined by FRS 102.

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The following paragraphs describe the specific policies adopted for recognition of significant categories of incoming resources and of expenditure.

The accounts have been prepared on a going concern basis. Council has assessed the ability of the College to continue as a going concern and have reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

b) Fund structure

The College has a number of endowment funds and restricted funds to account for situations where a donor requires that a donation must be used for a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted funds. Funds held in each of these categories are disclosed in note 17.

Unrestricted funds are available for use at the discretion of the Council in furtherance of general objects of the College.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or funder.

Endowment funds are invested in investments, the income from which, are used for the normal operation of the College, and must be spent in accordance with the terms of the endowment. This income, and related expenditure, is accounted for within restricted funds. Realised and unrealised gains or losses are accumulated within endowment funds which are regarded as permanent.

c) Significant judgements and estimation uncertainty

In the application of the College's accounting policies, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for carrying amounts of tangible assets.

d) Income

All income is included in the Statement of Financial Activities when the College is entitled to the income, the amount can be quantified with reasonable accuracy, and receipt is probable. The following specific policies are applied to particular categories of income.

Admission fees and subscription income

Income from admission fees is recognised on admission and subscriptions are recognised over the period to which they relate. Amounts relating to subscription periods falling after the year end are deferred into the next accounting period.

Donations and legacies

Donations are recognised when the College has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the College is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the College and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case-by-case basis following when the administrator/executor for the estate has communicated in writing both the amount and settlement date. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the College.

Grants receivable

Grants received are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Grants of a revenue nature are credited to the Statement of Financial Activities in the period to which they relate. Grant income with specific restrictions on utilisation in terms of timing or service provision is deferred in accordance with the terms provided by the donor as appropriate.

Grants are split into two categories within the Statement of Financial Activities. Grants with specific performance criteria, and of a contractual nature, are included in Income from Charitable Activities and grants of a general voluntary nature are included under the heading Donations, Grants and Legacies.

Examination income

Examination income represents exam fees received in respect of exam sittings during the financial year. Any fees received in respect of exams sittings after the year end are treated as examination fees in advance and deferred into the subsequent accounting period.

Course and event income

Income from courses and events represents fees received in respect of educational courses or training events undertaken in the financial year. Any fees received in respect of courses taking place after the year end are deferred into the next accounting period.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

e) Expenditure

Resources expended are recognised on an accruals basis when a legal or constructive obligation to pay arises committing the College to that expenditure; it is probable that settlement will be required and that the amount of the obligation can be measured reliably. They are shown under the appropriate category. The irrecoverable element of VAT is allocated to the related individual cost.

Costs of raising funds

These comprise the costs associated with raising voluntary income, the costs relating to fundraising and the costs of managing investments for both income generation and capital maintenance.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the College in undertaking its work to meet its charitable objectives. It includes costs that can be allocated directly to such activities together with those support costs incurred that enable these activities to be undertaken.

Governance costs

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the College and include the audit fees and costs linked to the strategic management of the College.

Basis of allocation of costs

All costs are allocated between the expenditure categories on a basis which best reflects the use of the resources. Costs, including governance costs, relating to a particular activity are allocated directly, others are apportioned to cost categories based on an estimated amount attributable to that activity in the year. The relative attribution of costs to charitable and other cost centres is reviewed annually.

Federation activities

Income and costs relating to activities delivered collaboratively as part of the Federation of Royal Colleges of Physicians are accounted for as a joint arrangement and disclosed within appropriate income and cost categories within notes 3 and 7 to the accounts.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the College. The grants are accounted for where the College has agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the College.

In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the College that would permit it to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by Council as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the College.

f) Tangible fixed assets

Fixed assets are initially recognised at cost, and depreciated over their useful economic life, taking into account any residual value of the assets.

Heritable property and land

The heritable property of the College is carried at fair value. It is also considered to have a high residual value. The depreciation charge is immaterial and no charge has therefore been made. Where no charge for depreciation is made, an impairment review should be carried out on an annual basis. Such a review has been performed and this shows that the fair value of the property is equal to the carrying value in the financial statements.

Land is not depreciated.

Heritable property has not been divided into investment property and property held for operational use as the fair value of the investment property component cannot be measured reliably.

Other fixed assets

Individual assets or large groups of homogeneous assets costing more than £500 are capitalised and carried in the balance sheet at historical cost.

Depreciation of assets is provided at rates calculated to write off the excess of cost over anticipated residual value evenly over the estimated useful economic lives of each class of assets, subject to annual review. Depreciation rates are currently as follows:

- | | |
|---------------------------------|----------------------|
| • Fixtures and fittings | 10-20% straight line |
| • Computers and other equipment | 25% straight line |
| • Plant and machinery | 10% straight line |

Heritage assets

In addition to the capitalised fixed assets retained for the College's own use, the College holds a substantial collection of unendowed heritage assets whose intrinsic value is bound up with the College's history. The principal collection is of medical books and manuscripts collectively known as the Sibbald Library Collection. The College also holds a modest collection of paintings and other artefacts. The heritage assets are held for preservation and to benefit medical knowledge and culture.

Most of these assets are irreplaceable originals to which no reliable value can be attributed and therefore the Charity Trustees believe that the significant costs that would be incurred in assessing and maintaining a reliable valuation record would be disproportionate to the clarity derived. Accordingly, the assets have not been capitalised in the accounts.

Governance rules applicable to the disposal of heritage assets are set out in the College Laws. Subject to recommendation from the Library Committee and approval of the Charity Trustees, the College can elect to dispose of items from the Sibbald Library Collection, although this would only happen in exceptional circumstances, for example, to generate funds to support the development of wider access to the historic collections of the College Library.

Acquisitions are made by purchase or donation but are rare. Items acquired are capitalised only where the value can be determined and is deemed material.

Further information is provided in note 11a.

g) Investments

Investments are accounted for at fair value, which is considered to be market value. Value is attributed to individual unrestricted and restricted funds on an unitisation basis. Net gains and losses arising on revaluation and disposal are shown in the Statement of Financial Activities.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The College does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the College is that of volatility in equity markets and investment markets due to wider

Notes to the Accounts (continued)

For the year ended 31 January 2022

economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value.

h) Stock

Stocks of mementoes and wine are valued at the lower of cost and net realisable value.

i) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

Creditors are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Pension scheme

The College operates an employer-sponsored, defined contribution Group Personal Pension (GPP) Scheme. Contributions to this scheme are allocated to individual policies held separately from the College and which are administered by Scottish Widows. Pension costs are included in staff costs on the basis of contributions payable by the College.

The aggregate value of contributions made to the pension scheme during the period amounted to £174,762 (2021: £205,734).

Notes to the Accounts (continued)

for the year ended 31 January 2022

2 Donations, grants and legacies

	2022	2021
	£	£
Donations	11,088	396
Grants - non contractual	216,814	143,727
Furlough Grant Income	33,348	224,514
Bequests and legacies	-	139,913
	<u>261,250</u>	<u>508,550</u>

3 Income from charitable activities

	2022	2021
	£	£
Subscriptions	1,812,419	1,776,684
Examinations	2,903,376	2,072,370
Education and training	1,501,033	1,115,339
Grants	104,878	116,957
Other	203,731	187,956
	<u>6,525,437</u>	<u>5,269,306</u>

Examinations and education and training income figures shown above include revenue generated by the College through assessment, specialist training and professional development activities delivered collaboratively by the Federation of Royal Colleges of Physicians. The Federation generated income of £3.2m in the year (2021: £2.4m).

4 Income from other trading activities

	2022	2021
	£	£
Letting of rooms and facilities	258,123	109,143
	<u>258,123</u>	<u>109,143</u>

5 Income from investments

	2022	2021
	£	£
Portfolio derived income	279,818	250,209
Bank deposit income	339	9,561
	<u>280,157</u>	<u>259,770</u>

Notes to the Accounts (continued)
for the year ended 31 January 2022

6 Expenditure on raising funds	Activities undertaken directly £	Support costs £	Total 2022 £	<i>Total 2021 £</i>
Fundraising: cost of goods sold and other costs:				
Letting of rooms and facilities	269,622	357,988	627,610	525,336
Investment management	46,984	9,168	56,152	56,697
	<u>316,606</u>	<u>367,156</u>	<u>683,762</u>	<u>582,033</u>
7 Expenditure on charitable activities	Activities undertaken directly £	Support costs £	Total 2022 £	<i>Total 2021 £</i>
Membership services	405,962	405,676	811,638	953,819
Quality Governance Collaborative	75,046	25,493	100,539	-
Quality, Research and Standards	-	-	-	135,663
Heritage	217,290	138,602	355,892	387,572
Examinations	1,595,288	296,504	1,891,792	1,859,091
Education and Training	1,525,921	783,226	2,309,147	2,454,987
Other charitable activity	107,997	-	107,997	117,552
	<u>3,927,504</u>	<u>1,649,501</u>	<u>5,577,005</u>	<u>5,908,684</u>

Assessment, education and training expenditure figures shown above include resources expended by the College in delivering examinations, specialist training and professional development activities collaboratively through the Federation of Royal Colleges of Physicians. The Federation costs in the year amounted to £1.6 m (2021: £1.6m).

Other charitable activity costs included £107,997 for consultancy costs within the Intensive Support Programme. Other charitable activity costs in the prior year comprise £14,212 of exceptional building costs, £37,955 in connection to reviews performed with the Quality Governance Collaborative and £64,642 for consultancy costs within the Intensive Support Programme.

8 Grant making activities

Included within Education and Training direct costs are grants made by the College during the year totalling £84,983 (2021: £67,008) from designated and endowed funds as follows:

	2022 £	<i>2021 £</i>
Tuition fees for 12 (2021: 12) students of the MSc Internal Medicine at the University of Edinburgh	46,272	42,393
Tuition fees for 12 (2021: 8) students of the MSc Critical Care at the University of Edinburgh	38,711	24,615
JMAS Sim Fellowship at the University of Edinburgh - see note 15	-	-
Other bursaries and research related grants to individuals and institutions	-	-
	<u>84,983</u>	<u>67,008</u>

Grant making activities are largely funded through income generated by core charitable activities.

Notes to the Accounts (continued)

for the year ended 31 January 2022

9 Allocation of governance and support costs	Total allocated 2022 £	Governance related £	Other support costs £	Total 2021 £
Staff costs	1,244,398	150,546	1,093,852	1,436,840
Building upkeep, repairs and management	72,915	-	72,915	63,423
IT costs	63,695	-	63,695	62,522
Utilities	101,740	-	101,740	90,913
Travel and subsistence	3,783	-	3,783	22,196
Other general management overheads	461,852	336,134	125,718	607,947
Depreciation	68,274	6,112	62,162	68,668
	2,016,657	492,792	1,523,865	2,352,509

Support costs are apportioned to charitable activities using various bases of apportionment including square footage, staff numbers and levels of activity, with the exact basis selected according to that which best reflects the use of resources.

Governance costs	Activities undertaken directly £	Indirect costs £	Total 2022 £	Total 2021 £
Staff costs	-	150,546	150,546	173,827
Auditors' fees	16,950	-	16,950	15,500
Other non-audit fees	6,229	-	6,229	7,721
Legal and professional fees	226,383	-	226,383	415,355
Other	-	92,685	92,685	110,308
	249,562	243,231	492,792	722,711

10 Remuneration and related party transactions	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Wages and salaries	1,962,131	171,442	2,133,573	2,442,019
Social security costs	185,068	15,352	200,420	232,743
Pension costs - Defined contribution schemes	162,628	12,134	174,762	205,734
Training and other employee costs	60,676	-	60,676	47,865
	2,370,503	198,928	2,569,431	2,928,361

For several months throughout the year the College made additional payments to ensure all employees within the Job

Average number of employees during the period: 71 (59 FTE)

The number of employees whose emoluments exceeded £60,000, excluding employer pension contributions, were:

£60,000 - £69,999	1
£100,000 - £109,999	1

Total pension contributions in the year for employees whose emoluments exceed £60,000 were £19,537 - 2 employees (2021: £25,223 - 3 employees).

The College considers its key management personnel comprising of the Office Bearers and Chief Executive Officer. The total employment benefits of the key management personnel were £118,270 (2021: £147,156). This included pension contribution costs of £13,650 (2021: £13,650). Included within salary costs are £36,319 (2021: £37,192) of settlement payments made during the year for 4 members of staff as a result of restructuring.

No Trustee received any remuneration during the year. Reimbursement of travel expenses to 9 (2021: 13) Council Members amounted to £4,388 (2021: £5,567). No Trustee or other person related to the College had any personal interest in any contract or transaction entered into by the College during the year (2021: £Nil).

Notes to the Accounts (continued)

for the year ended 31 January 2022

11 Tangible fixed assets	Heritable property £	Computers and other equipment £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
1 February 2021	6,000,000	1,034,930	188,155	126,206	7,349,291
Additions	-	95,058	-	-	95,058
Disposals	-	-	(18,165)	-	(18,165)
31 January 2022	<u>6,000,000</u>	<u>1,129,988</u>	<u>169,990</u>	<u>126,206</u>	<u>7,426,184</u>
Accumulated depreciation					
1 February 2021	-	794,247	164,481	72,280	1,031,008
Charge for the year	-	122,991	6,076	7,362	136,429
Disposals	-	-	(12,715)	-	(12,715)
31 January 2022	<u>-</u>	<u>917,238</u>	<u>157,842</u>	<u>79,642</u>	<u>1,154,722</u>
Net book value at 31 January 2022	<u>6,000,000</u>	<u>212,750</u>	<u>12,148</u>	<u>46,564</u>	<u>6,271,462</u>
<i>Net book value at 31 January 2021</i>	<u>6,000,000</u>	<u>240,683</u>	<u>23,674</u>	<u>53,926</u>	<u>6,318,283</u>

The heritable property of the College was revalued by Graham and Sibbald on the 31st January 2020. They assessed the market value with vacant possession to be £6,000,000. The depreciated historic cost of heritable property as at 31 January 2022 was £3,815,325 (2021: £3,815,325). Council continues to consider that the carrying value at 31 January 2022 represents the fair value at the year end.

11a Further information on the College collection of heritage assets

Sibbald Library collection

The Sibbald Library Collection, which comprises approximately 45,000 medical books and manuscripts, has been developed over the last 340 years and is used for reference, research and education. The College occasionally makes available, on loan, items from the collection to Fellows and Members of the College and other medical institutions. At any time, approximately 50% of the Collection is on display. The remaining items are held in safe storage but access is permitted to scholars and others for research purposes, and items from storage are occasionally made available for public viewing. The College has made no disposals to its accessioned Library Collection in the last 5 years.

Management

The College has a long-established Library Committee which has responsibility for managing the College Collection on behalf of the Charity Trustees. The policy for managing the Collection, including governance rules applicable to the disposal of books, is set out in the College Laws.

The College maintains a catalogue of its Collection of medical books and manuscripts which records the nature, provenance and current location of each asset. A manual record is complete but work remains ongoing to present the catalogue in an electronic format and to the MARC international standard.

Investment in the electronic cataloguing process has been significant over recent years, with support provided from a range of grant funders including the Wellcome Trust.

Preservation

Expenditure which, in the view of the Charity Trustees, is required to preserve or prevent further deterioration of the Library Collection is recognised in the Statement of Financial Activities when it is incurred. The Library Collection is also insured for the costs of repair, conservation and attempted recovery.

Paintings and other artefacts

The College maintains a complete photo and electronic record of modern and heritage paintings as well as similar records

Notes to the Accounts (continued)

for the year ended 31 January 2022

12 a Investments	Unrestricted £	Endowment £	Total £
Opening market value at 1 February 2021	1,014,473	9,911,544	10,926,017
Additions in year	190,425	1,860,480	2,050,905
Disposals in year	(172,519)	(1,685,530)	(1,858,049)
Unrealised gains during year	53,543	523,119	576,662
Closing market value at 31 January 2022	<u>1,085,922</u>	<u>10,609,613</u>	11,695,535
Investment cash balance	<u>44,403</u>	<u>433,821</u>	478,224
Closing portfolio valuation at 31 January 2022	<u>1,130,325</u>	<u>11,043,434</u>	12,173,759
<i>Historical cost at year end</i>	<u>846,966</u>	<u>8,274,976</u>	9,121,942
Debt and Fixed interest	241,325	2,357,779	2,599,104
UK equities	440,969	4,308,333	4,749,302
Investments and unit trusts	81,215	793,481	874,696
Overseas	322,413	3,150,020	3,472,433
Cash	<u>44,403</u>	<u>433,821</u>	478,224
	<u>1,130,325</u>	<u>11,043,434</u>	12,173,759

The investments of the College are held as part of a portfolio managed by Adam & Company Investment Management Ltd. Value is attributed to individual unrestricted and endowment funds on an unitisation basis. At 31 January 2022, AXA Fixed Interest Sterling Short Bond made up 5.66% and Findlay Park American Smaller Cos made up 5.3% of the total value of the College Portfolio.

All investments are carried at their fair value. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the Annual Report.

The main risk to the charity from financial instruments lies in the continuing uncertainty regarding world economic prospects leading to changeable investment markets and volatility in yield. The College manages these risks by retaining experts advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes. Furthermore, the portfolio does not make use of derivatives or other complex financial instruments as it takes the view that investments are held for long-term return. Liquidity risk is considered low as all investments are traded in quoted public markets, primarily the London Stock Exchange, with good liquidity and trading volumes, and the College has no material holdings in markets subject to exchange control

12 b Other Investments	2022	2021
	£	£
Federation of Royal Colleges of Physicians	<u>78,760</u>	<u>78,760</u>
	78,760	78,760

During 2020-21 RCPE contributed additional funding to Federation to help support operations during COVID-19.

13 Debtors	2022	2021
	£	£
Subscriptions and fees	225,194	210,046
Educational fee and grant debtors	600,750	170,819
Accrued income	218,112	180,238
Sundry debtors	67,097	719,756
Prepayments	170,932	116,852
VAT and tax debtor	-	9,486
	<u>1,282,085</u>	<u>1,407,197</u>

Notes to the Accounts (continued)
for the year ended 31 January 2022

14	Creditors: amounts falling due within one year	2022	2021
		£	£
	Trade creditors	208,670	281,519
	Other creditors and accruals	697,581	624,398
	Social security and other taxation payable	61,047	67,496
	Deferred income	2,647,176	2,343,287
		<u>3,614,474</u>	<u>3,316,700</u>

The College hosts the offices of the Scottish Academy of Medical Royal Colleges and acts as the custodian of funds employed in supporting the delivery of administrative services. The balance of funds held by the College at the year end of £12,662 (2021: £9,484) is accounted for within sundry debtors. The College acts as custodian of funds for its Senior Fellows' Club. The year end balance of £14,908 (2021: £8,679) is also accounted for within other creditors and accruals.

Deferred Income

The movement in deferred income during the year is as follows:

	<i>Brought forward</i> 31 Jan 2021	Utilised in year	Received & deferred to 2022/23	Received & deferred to future years	Carried forward 31 Jan 2022
	£	£	£	£	£
Subscriptions	1,203,990	(1,203,990)	1,168,494	45,064	1,213,558
Events planned	146,191	(146,191)	206,847	10,770	217,617
Education income	456,716	(456,716)	241,958	136,908	378,866
Exam income	756,913	(756,913)	970,024	-	970,024
Grant income	37,308	(37,308)	38,241	-	38,241
Other income	-	-	21,612	-	21,612
	<u>2,601,118</u>	<u>(2,601,118)</u>	<u>2,647,176</u>	<u>192,742</u>	<u>2,839,918</u>

The deferred income above relates to subscriptions, events, exams, course and grant receipts relating to future years.

15	Creditors: amounts falling due after more than one year	2022	2021
		£	£
	Other creditors and accruals	183,691	306,765
	Deferred income	192,742	257,831
		<u>376,433</u>	<u>564,596</u>

Other creditors and accruals compose a provision for the RCPE share of liabilities arising from the pension scheme held by Federation the value of which is determined by actuarial valuation.

16	Contracts and commitments – operating leases	2022	2021
		£	£
	The total future minimum lease payments under non-cancellable operating leases are as follows:		
	Amounts due within 1 year	60,621	66,939
	Amounts due between 2 to 5 years	143,429	170,472
	Amounts due more than 5 years	44,473	78,373
		<u>248,523</u>	<u>315,784</u>

During the year lease payments of £67,669 (2021: £68,890) were recognised as an expense to the College.

Notes to the Accounts (continued)

for the year ended 31 January 2022

17 Analysis of College net assets by fund in the current year (2022)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2022 £
Unrestricted funds	6,271,462	1,209,085	2,051,156	(376,433)	9,155,270
Endowment funds	-	11,043,434	-	-	11,043,434
Restricted funds	-	-	1,635,896	-	1,635,896
	<u>6,271,462</u>	<u>12,252,519</u>	<u>3,687,052</u>	<u>(376,433)</u>	<u>21,834,600</u>

Unrestricted funds, which include designated funds, are free for use by the charity trustees in accordance with the charitable objects of the College. Endowment and restricted funds have purposes attached which, in general, are related to the provision of information to the public and education for doctors in training and in practice. Over 75% of the expendable endowment funds, which have a total value of £3,192,249 at 31 January 2022, are available for use in support of the College's core charitable activities. Further details of the designated, endowment and restricted funds held by the College can be found in notes 17a, 17b and 17c, respectively.

Also included within unrestricted funds is a revaluation reserve amounting to £2,184,675 (2021: £2,184,675) in relation to the College's heritable property as set out in note 11.

Analysis of College net assets by fund in the previous year (2021)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2021 £
Unrestricted funds	6,318,283	1,149,225	1,210,251	(441,523)	8,236,236
Endowment funds	-	10,458,598	-	-	10,458,598
Restricted funds	-	-	1,559,394	(123,073)	1,436,321
	<u>6,318,283</u>	<u>11,607,823</u>	<u>2,769,645</u>	<u>(564,596)</u>	<u>20,131,155</u>

17a Designated funds: movements in the current year (2022)	Balance at 31 Jan 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 Jan 2022 £
Strategic Planning Fund	500,505	3,033	(510)	(365)	6,925	509,588
Fabric Fund	175,889	13	-	(117)	-	175,785
Innovation and Development Fund	296,643	19	(84,983)	214,586	-	426,265
Education Fund	211,384	3,017	(511)	(288)	6,936	220,538
Prizes and Awards Fund	41,172	3	(1,000)	9,992	-	50,167
Digital Development Fund	243,914	18	-	-	-	243,932
	<u>1,469,507</u>	<u>6,103</u>	<u>(87,004)</u>	<u>223,808</u>	<u>13,861</u>	<u>1,626,275</u>

Investments held as part of the Strategic Planning and Education Funds form part of the College's investment portfolio, managed by Adam & Company Investment Management Ltd. Investment income, gains and losses and related expenditure are allocated in proportion to the value of investments held by each trust or fund.

Designation of the funds

The Council of the College has chosen to designate these funds as follows:

Strategic Planning Fund- The balance has been earmarked to support the Business Resilience Strategy of the College, including Federated activity, such as supporting the Federation IT development.

Fabric Fund- Support the development and reorganisation of the building and College Infrastructure for post COVID-19 re-developments.

Innovation and Development Fund- Support innovative projects which contribute to the development and recognition of the College and individual doctors.

Education Fund- Support online education or any other purposes in line with current Education strategy.

Prizes and Awards Fund- Intended to benefit Fellows and Members through the provision of a range of prizes and awards which seek to provide incentives to reward excellence.

Digital Development Fund- Support the Colleges digital transformation project and educational lectures with a digital content.

Designated funds: movements in the previous year (2021)	Balance at 31 Jan 2020 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 Jan 2021 £
Strategic Planning Fund	499,561	3,646	(453)	(795)	(1,454)	500,505
Fabric Fund	189,113	1,172	(14,211)	(185)	-	175,889
Innovation and Development Fund	468,390	3,094	(67,462)	(105,923)	(1,456)	296,643
Education Fund	-	-	-	211,384	-	211,384
Prizes and Awards Fund	-	-	-	41,172	-	41,172
Digital Development Fund	-	-	-	243,914	-	243,914
	<u>1,157,064</u>	<u>7,912</u>	<u>(82,126)</u>	<u>389,567</u>	<u>(2,910)</u>	<u>1,469,507</u>

Notes to the Accounts (continued)
for the year ended 31 January 2022

17b Endowment funds: movements in current year (2022)	Balance at 31 January 2021 £	Income £	Expenditure £	Transfers to/(from) Restricted funds £	Investment gains/(losses) £	Balance at 31 January 2022 £
Permanent endowments						
W A Alexander Bequest	21,518	-	-	-	1,203	22,721
Freeland Barbour Fellowship	32,942	-	-	-	1,842	34,784
Alexander Black Bequest	5,971	-	-	-	334	6,305
John Hamilton Brown Bequest	121,204	-	-	-	6,778	127,982
Sir James Cameron Bequest	10,642	-	-	-	595	11,237
Clouston Memorial Trust	3,690	-	-	-	207	3,897
Ghulam Mohi-Ud Din Trust	2,897	-	-	-	162	3,059
George A Gibson Lectureship	812	-	-	-	45	857
Verona Gow Bequest	106,681	-	-	-	5,966	112,647
Mohamed Haniffa Hamza Bequest	1,867	-	-	-	104	1,971
Jessie MacGregor Prize	8,854	-	-	-	495	9,349
James MacKenzie Medal	1,650	-	-	-	92	1,742
Alexander Morison Fund	561	-	-	-	31	592
Stelios Nicolaides Fund	1,221	-	-	-	68	1,289
Hill Pattison-Struthers Bursaries	17,965	-	-	-	1,005	18,970
Robert Philip Memorial Lectureship	65,600	-	-	-	3,668	69,268
HRH Richards Bequest	7,324	-	-	-	410	7,734
Miss Janet Reid Trust	52,094	-	-	-	2,913	55,007
Catherine Wedderburn Rintoul Fund	72,317	-	-	-	4,044	76,361
Russell Bequest	1,081,280	-	-	-	60,464	1,141,744
John Matheson Shaw Bequest	16,750	-	-	-	937	17,687
Myre Sim Bequest	1,295,396	-	-	-	72,437	1,367,833
JMAS Sim Fellowship	4,454,643	-	-	-	249,100	4,703,743
Sydney Watson Smith Bequest	245,268	-	-	-	13,715	258,983
Peter Morrison Tolmie Bequest	25,468	-	-	-	1,424	26,892
Watson Lecture	1,342	-	-	-	75	1,417
Wood Bursary	22,207	-	-	-	1,242	23,449
	<u>7,678,164</u>	-	-	-	429,356	<u>8,107,520</u>
Expendable endowments						
Bryan Ashworth Bequest	492,309	-	-	-	27,529	519,838
Ambuj Nath Bose Bequest	633	-	-	-	35	668
William Cullen Prize	11,498	-	-	-	643	12,141
Stanley Davidson Trust	540,505	-	-	-	30,225	570,730
Education & Research Trust	539,309	-	-	-	30,158	569,467
Joan Ferguson Bequest	208,709	-	-	-	11,671	220,380
Marion B M Lindsay Bequest	64,409	-	-	-	3,602	68,011
Lister Fellowship	25,117	-	-	-	1,404	26,521
Charles McNeil Lectureship	17,448	-	-	-	976	18,424
Alexander Morison Lectureship	4,003	-	-	-	224	4,227
Marjorie Robertson Trust	876,494	-	-	-	49,013	925,507
	<u>10,458,598</u>	-	-	-	584,836	<u>11,043,434</u>

Investments held by each trust or fund are pooled so as to form part of the College's investment portfolio, managed by Adam & Company Investment Management Ltd. Investment income, gains and losses and related expenditure are allocated in proportion to the value of investments held by each trust or fund.

Endowed funds in excess of £400,000 in the current year have the following purposes:

Russell Bequest - for the purchase, maintenance, and indexing of antiquarian books and manuscripts held by the College Library.

Myre Sim Bequest - to support educational activities and oversee the award of Grants, Bursaries and a Collegiate members prize.

JMAS Sim Fellowship - to fund a Fellowship for research into the biochemical aspects of depressive illness.

Bryan Ashworth Bequest - for the support of the College Library.

Stanley Davidson Trust - for the furtherance of medical knowledge and education and for the maintenance of the College.

Education and Research Trust - established in 1984 for the furtherance of education and research.

Marjorie Robertson Trust - for research, education, building or other uses at the discretion of the President and Council.

Notes to the Accounts (continued)

for the year ended 31 January 2022

17b Endowment funds: movements in previous year (2021)	Balance at 31 January 2020 £	Income £	Expenditure £	Transfers to/(from) Restricted funds £	Investment gains/(losses) £	Balance at 31 January 2021 £
<i>Permanent endowments</i>						
W A Alexander Bequest	21,771	-	-	-	(253)	21,518
Freeland Barbour Fellowship	33,328	-	-	-	(386)	32,942
Alexander Black Bequest	6,041	-	-	-	(70)	5,971
John Hamilton Brown Bequest	122,627	-	-	-	(1,423)	121,204
Sir James Cameron Bequest	10,767	-	-	-	(125)	10,642
Clouston Memorial Trust	3,733	-	-	-	(43)	3,690
Ghulam Mohi-Ud Din Trust	2,931	-	-	-	(34)	2,897
George A Gibson Lectureship	821	-	-	-	(9)	812
Verona Gow Bequest	107,933	-	-	-	(1,252)	106,681
Mohamed Haniffa Hamza Bequest	1,889	-	-	-	(22)	1,867
Jessie MacGregor Prize	8,958	-	-	-	(104)	8,854
James MacKenzie Medal	1,669	-	-	-	(19)	1,650
Alexander Morison Fund	567	-	-	-	(6)	561
Stelios Nicolaides Fund	1,235	-	-	-	(14)	1,221
Hill Pattison-Struthers Bursaries	18,176	-	-	-	(211)	17,965
Robert Philip Memorial Lectureship	66,370	-	-	-	(770)	65,600
HRH Richards Bequest	7,410	-	-	-	(86)	7,324
Miss Janet Reid Trust	52,705	-	-	-	(611)	52,094
Catherine Wedderburn Rintoul Fund	73,166	-	-	-	(849)	72,317
Russell Bequest	1,093,971	-	-	-	(12,691)	1,081,280
John Matheson Shaw Bequest	16,947	-	-	-	(197)	16,750
Myre Sim Bequest	1,310,601	-	-	-	(15,205)	1,295,396
JMAS Sim Fellowship	4,506,928	-	-	-	(52,285)	4,454,643
Sydney Watson Smith Bequest	248,147	-	-	-	(2,879)	245,268
Peter Morrison Tolmie Bequest	25,767	-	-	-	(299)	25,468
Watson Lecture	1,358	-	-	-	(16)	1,342
Wood Bursary	22,468	-	-	-	(261)	22,207
	7,768,284	-	-	-	(90,120)	7,678,164
<i>Expendable endowments</i>						
Bryan Ashworth Bequest	498,087	-	-	-	(5,778)	492,309
Ambuj Nath Bose Bequest	640	-	-	-	(7)	633
William Cullen Prize	11,633	-	-	-	(135)	11,498
Stanley Davidson Trust	546,849	-	-	-	(6,344)	540,505
Education & Research Trust	545,639	-	-	-	(6,330)	539,309
Joan Ferguson Bequest	211,159	-	-	-	(2,450)	208,709
Marion B M Lindsay Bequest	65,165	-	-	-	(756)	64,409
Lister Fellowship	25,412	-	-	-	(295)	25,117
Charles McNeil Lectureship	17,653	-	-	-	(205)	17,448
Alexander Morison Lectureship	4,050	-	-	-	(47)	4,003
Marjorie Robertson Trust	886,782	-	-	-	(10,288)	876,494
	10,581,353	-	-	-	(122,755)	10,458,598

17c Restricted funds: movements in the current year

The restricted funds of the College can be split into two categories: monies which relate to specific donations or grants and are held as part of the College bank and cash balances; and restricted income funds made up of the accumulated income generated by College endowment funds.

Where the funding is in the form of a government grant, the nature and amount of the grant is disclosed below.

Funds held as part of the College bank and cash balances:

EBM Training Materials - developing educational materials on topics related to evidence-based medicine.

SCLF grant - funding fellowships for doctors taking part in the Scottish Clinical Leadership programme.

ePortfolio for Revalidation - developing an e-system for recertification and revalidation.

Guidance on Adolescent Medicine - guidance for doctors in managing patients transferring from paediatric to adult services.

Disaster Recovery Kits - provide disaster recovery boxes for the Colleges Heritage team, alongside the disaster recovery policy and procedure, to allow us to be prepared in the event of a disaster and have the equipment and training necessary to respond effectively when the Heritage collections are at risk.

Health and Wellbeing Fund - To support the health and wellbeing of RCPE staff.

Intensive Support Programme - To provide expertise to act as Programme Lead on the Standard Mortality Quality Review (SMQR) project through NHS England and NHS Improvement.

Leo McCarthy History of Medicine Award - to meet the costs of a prize promoting medical history research.

HP Andrew Douglas - funding research into clinical, respiratory medicine.

James Lind Library - to meet the cost of activities intended to improve the content and/or functionality of the James Lind Library.

MTI Placements - to help the College assist overseas doctors wishing to undertake a fixed period of training in the UK.

MTI Placements Scotland - funding of £90,000 was received from the Scottish Government to meet the costs of appointing an additional project manager for MTI for 2 years. The aim being to place a minimum of an additional 15 International graduates through the Medical Training Initiative scheme.

Paley Stamp Collection - for conservation of the historic stamp collection of the College.

Pilot National Audits in Epilepsy and CAP - assessing and improving the standards of care for patients with epilepsy and community-acquired pneumonia.

Scottish Academy: External Adviser Project - funding to cover an external assessor for recruitment panels which are administered by the Scottish Academy.

SIGA (Scottish Intercollegiate Group on Alcohol) - intercollegiate body addressing problems of alcohol in society.

SHAAP (Scottish Health Action on Alcohol Problems) - a medical advocacy body on alcohol, established through SIGA and funded by the Scottish Government.

Sibbald Library Restricted Fund - to maintain, support and develop the historic collections of the College Library.

SPARS - a study to assess junior doctors' prescribing experiences and preferences on drug charts currently available in Scotland.

TARGET (Targeting Adverse Risk by Generating Expert Tools) - supporting the development of a computer-based system to improve prescribing for hypertension.

Wellcome Digitisation project - a Wellcome Trust funded project to digitise and make available online a collection of over 25,000 19th century books and pamphlets.

Wellcome Duncan Project Expenditure - grant is to fund the digitalisation of 99 casebooks. Digitalisation will be performed by UK archiving.

Wellcome Ballantyne Cataloguer - funding to catalogue and conserve an important collection on developmental medicine built up by J W Ballantyne, a pioneering specialist in ante-natal care.

Wolfson Fund - the purchase of rare books.

Zambia Fund - funding for work undertaken to support Lusaka APEX Medical University in Zambia.

Funds held as part of the College portfolio:

These are split into permanent and expendable endowments and represent the accumulated income generated by the College endowments, net of fees and charitable expenditure.

Notes to the Accounts (continued)
for the year ended 31 January 2022

17c Restricted funds: movements in current year (2022)	31 January 2021 £	Income £	Expenditure £	Transfers £	31 January 2022 £
Held as part of the College bank & cash balances					
EBM Training Materials	7,514	1	-	-	7,515
SCLF Grant	32,769	6	-	-	32,775
ePortfolio for Revalidation	5,268	1	-	-	5,269
Guidance on Adolescent Medicine	17,960	3	-	-	17,963
Disaster Recovery Kits	71	-	(144)	-	(73)
Health and Wellbeing Fund	1,003	-	-	-	1,003
Intensive Support Programme	0	107,997	(107,997)	-	-
Leo McArthur History of Medicine Award	1,273	-	-	-	1,273
HP Andrew Douglas	354,733	65	-	-	354,798
James Lind Library	2,999	-	(2,999)	-	-
MTI Placements	20,011	4	-	-	20,015
MTI Placements Scotland	7,243	1	-	-	7,244
Paley Stamp Collection	1,279	-	-	-	1,279
Pilot National Audits in Epilepsy and CAP	10,624	2	-	-	10,626
Scottish Academy: External Adviser Project	43,564	90,854	(87,718)	-	46,700
SIGA	1,200	-	-	-	1,200
SHAAP	48,292	216,829	(164,707)	-	100,414
Sibbald Library Restricted Fund	59,729	510	(5,935)	-	54,304
SPARS	4,548	1	-	-	4,549
TARGET	116	-	-	-	116
Wellcome Digitisation project	42	-	-	-	42
Wellcome Duncan Project Expenditure	1,924	(369)	(1,555)	-	-
Wellcome Ballantyne Cataloguer	5,870	1	-	-	5,871
Wolfson Fund	1,980	-	-	-	1,980
Zambia Fund	853	-	-	-	853
	630,865	415,906	(371,055)	-	675,716
Held as part of the College portfolio					
Permanent endowments					
W A Alexander Bequest	834	522	(89)	(47)	1,220
Freeland Barbour Fellowship	5,610	800	(136)	(73)	6,201
Alexander Black Bequest	1,939	145	(25)	(13)	2,046
John Hamilton Brown Bequest	41,783	2,946	(499)	(272)	43,958
Sir James Cameron Bequest	2,076	258	(44)	(24)	2,266
Clouston Memorial Trust	2,233	90	(15)	(9)	2,299
Ghulam Mohi-Ud Din Trust	2,439	71	(12)	(7)	2,491
George A Gibson Lectureship	231	20	(3)	(2)	246
Verona Gow Bequest	20,378	2,591	(439)	(236)	22,294
Mohamed Haniffa Hamza Bequest	768	45	(8)	(4)	801
Jessie MacGregor Prize	5,882	215	(36)	(20)	6,041
James MacKenzie Medal	1,289	40	(7)	(4)	1,318
Alexander Morison Fund	2,155	14	(2)	(2)	2,165
Stelios Nicolaidis Fund	1,659	30	(5)	(3)	1,681
Hill Pattison-Struthers Bursaries	7,943	437	(74)	(41)	8,265
Robert Philip Memorial Lectureship	10,427	1,593	(270)	(145)	11,605
HRH Richards Bequest	992	178	(30)	(16)	1,124
Miss Janet Reid Trust	12,935	1,266	(215)	(116)	13,870
Catherine Wedderburn Rintoul Fund	11,873	1,756	(1,345)	(160)	12,124
Russell Bequest	51,026	26,249	(18,850)	(2,361)	56,064
John Matheson Shaw Bequest	5,998	407	(69)	(38)	6,298
Myre Sim Bequest	110,291	31,452	(7,230)	(2,837)	131,676
JMAS Sim Fellowship	206,070	108,156	(18,344)	(9,803)	286,079
Sydney Watson Smith Bequest	59,117	5,959	(1,010)	(547)	63,519
Peter Morrison Tolmie Bequest	10,430	619	(105)	(58)	10,886
Watson Lecture	1,315	33	(6)	(3)	1,339
Wood Bursary	5,570	540	(91)	(50)	5,969
	583,263	186,432	(48,959)	(16,891)	703,845
Expendable endowments					
Bryan Ashworth Bequest	10,276	11,950	(9,920)	(1,073)	11,233
Ambuj Nath Bose Bequest	808	15	(3)	(2)	818
William Cullen Prize	2,867	279	(47)	(26)	3,073
Stanley Davidson Trust	78,350	13,126	(2,226)	(1,191)	88,059
Education & Research Trust	38,869	13,094	(7,654)	(1,178)	43,131
Joan Ferguson Bequest	6,039	5,066	(3,359)	(457)	7,289
Marion B M Lindsay Bequest	8,542	1,564	(265)	(142)	9,699
Lister Fellowship	11,663	611	(103)	(57)	12,114
Charles McNeil Lectureship	8,230	424	(72)	(40)	8,542
Alexander Morison Lectureship	3,876	98	(17)	(10)	3,947
Isabella Kirk Duncanson Trust	17,502	2	-	(5)	17,499
Marjorie Robertson Trust	35,171	21,278	(3,610)	(1,908)	50,931
	222,193	67,507	(27,276)	(6,089)	256,335
Total Restricted funds	1,436,321	669,845	(447,290)	(22,980)	1,635,896

Notes to the Accounts (continued)
for the year ended 31 January 2022

17c Restricted funds: movements in the previous year (2021)	31 January 2020	Income	Expenditure	Transfers	31 January 2021
	£	£	£	£	£
<i>Held as part of the College bank & cash balances</i>					
EBM Training Materials	7,491	23	-	-	7,514
SCLF Grant	32,671	98	-	-	32,769
ePortfolio for Revalidation	5,252	16	-	-	5,268
Guidance on Adolescent Medicine	17,906	54	-	-	17,960
Disaster Recovery Kits	-	833	(762)	-	71
Health and Wellbeing Fund	501	502	-	-	1,003
Intensive Support Programme	-	64,642	(64,642)	-	-
Leo McCarthy History of Medicine Award	1,270	3	-	-	1,273
HP Andrew Douglas	354,175	1,058	(500)	-	354,733
James Lind Library	2,878	152	(31)	-	2,999
MTI Placements	19,951	60	-	-	20,011
MTI Placements Scotland	7,221	22	-	-	7,243
Paley Stamp Collection	1,275	4	-	-	1,279
Pilot National Audits in Epilepsy and CAP	10,593	31	-	-	10,624
Scottish Academy: External Adviser Project	38,613	89,147	(84,196)	-	43,564
SIGA	1,196	4	-	-	1,200
SHAAP	83,501	148,788	(183,997)	-	48,292
Sibbald Library Restricted Fund	71,820	205	(12,296)	-	59,729
SPARS	4,535	13	-	-	4,548
TARGET	116	-	-	-	116
Wellcome Digitisation project	42	-	-	-	42
Wellcome Duncan Project Expenditure	1,918	6	-	-	1,924
Wellcome Ballantyne Cataloguer	1,823	4,047	-	-	5,870
Wolfson Fund	1,974	6	-	-	1,980
Zambia Fund	851	2	-	-	853
<i>Held as part of the College portfolio</i>	<u>667,573</u>	<u>309,716</u>	<u>(346,424)</u>	<u>-</u>	<u>630,865</u>
<i>Permanent endowments</i>					
W A Alexander Bequest	509	467	(79)	(63)	834
Freeland Barbour Fellowship	5,101	728	(120)	(99)	5,610
Alexander Black Bequest	1,845	134	(22)	(18)	1,939
John Hamilton Brown Bequest	39,872	2,733	(443)	(379)	41,783
Sir James Cameron Bequest	1,911	236	(39)	(32)	2,076
Clouston Memorial Trust	2,172	86	(13)	(12)	2,233
Ghulam Mohi-Ud Din Trust	2,391	69	(11)	(10)	2,439
George A Gibson Lectureship	219	18	(3)	(3)	231
Verona Gow Bequest	18,735	2,364	(390)	(331)	20,378
Mohamed Haniffa Hamza Bequest	739	42	(7)	(6)	768
Jessie MacGregor Prize	5,737	207	(32)	(30)	5,882
James MacKenzie Medal	1,262	39	(6)	(6)	1,289
Alexander Morison Fund	2,142	18	(2)	(3)	2,155
Stelios Nicolaidis Fund	1,637	31	(4)	(5)	1,659
Hill Pattison-Struthers Bursaries	7,656	410	(66)	(57)	7,943
Robert Philip Memorial Lectureship	9,416	1,448	(240)	(197)	10,427
HRH Richards Bequest	879	161	(27)	(21)	992
Miss Janet Reid Trust	12,125	1,162	(190)	(162)	12,935
Catherine Wedderburn Rintoul Fund	10,758	1,597	(265)	(217)	11,873
Russell Bequest	52,465	23,610	(21,870)	(3,179)	51,026
John Matheson Shaw Bequest	5,734	378	(61)	(53)	5,998
Myre Sim Bequest	97,005	28,366	(11,023)	(4,057)	110,291
JMAS Sim Fellowship	137,778	98,035	(16,296)	(13,447)	206,070
Sydney Watson Smith Bequest	55,299	5,465	(897)	(750)	59,117
Peter Morrison Tolmie Bequest	10,025	579	(93)	(81)	10,430
Watson Lecture	1,293	32	(5)	(5)	1,315
Wood Bursary	5,224	495	(81)	(68)	5,570
	<u>489,929</u>	<u>168,910</u>	<u>(52,285)</u>	<u>(23,291)</u>	<u>583,263</u>
<i>Expendable endowments</i>					
Bryan Ashworth Bequest	14,812	10,729	(13,801)	(1,464)	10,276
Ambuj Nath Bose Bequest	796	16	(2)	(2)	808
William Cullen Prize	2,688	256	(42)	(35)	2,867
Stanley Davidson Trust	70,049	11,913	(1,977)	(1,635)	78,350
Education & Research Trust	30,648	11,785	(1,973)	(1,591)	38,869
Joan Ferguson Bequest	9,851	4,569	(7,764)	(617)	6,039
Marion B M Lindsay Bequest	7,553	1,417	(236)	(192)	8,542
Lister Fellowship	11,262	574	(92)	(81)	11,663
Charles McNeil Lectureship	7,951	399	(64)	(56)	8,230
Alexander Morison Lectureship	3,808	97	(15)	(14)	3,876
Isabella Kirk Duncanson Trust	17,473	45	-	(16)	17,502
Marjorie Robertson Trust	22,602	19,083	(3,950)	(2,564)	35,171
	<u>199,493</u>	<u>60,883</u>	<u>(29,916)</u>	<u>(8,267)</u>	<u>222,193</u>
Total Restricted funds	<u>1,356,995</u>	<u>539,509</u>	<u>(428,625)</u>	<u>(31,558)</u>	<u>1,436,321</u>

Notes to the Accounts (continued)

for the year ended 31 January 2022

17d Transfers between funds

Designated funds

£249,825 (2021: £150,927) was transferred in the period to the designated MSc Internal Medicine Fund and MSc Critical Care Fund. These funds comprise the surplus received from the MSc Internal Medicine and MSc Critical Care courses run in partnership with the University of Edinburgh. This fund is to be used to sponsor tuition fees for students enrolled on the course.

£10,000 (2021: £10,000) was transferred to the Prize and Award Fund which is intended to benefit Fellows and Members through the provision of prizes and awards which seek to reward excellence.

In the prior year, £243,914 was transferred to establish the Digital Development Fund. The fund is to support the Colleges digital transformation project and three named educational lectures with a digital content in recognition of bequests made to the College during the year.

In the prior year £12,000 was transferred to the Education Fund to support three named lectures in recognition of bequests made to the College during the year.

An inter-fund charge of £36,017 (2021: £27,274) was made in favour of the General Fund against designated funds for the cost of financial and management administration over the period. This comprised a charge in respect of the MSc Internal Medicine course and MSc Critical Care of 10% of annual revenue. Furthermore, a charge of 10% of annual revenue generated by designated funds in the year ended 31 January 2021 was made and allocated in proportion to the value of investments held by each trust or fund.

Restricted funds

An inter-fund charge of £22,980 (2021: £31,558) was made in favour of the General Fund against the restricted income funds administered as part of the College portfolio for the cost of financial and management administration over the period. This was based on 10% of annual revenue generated by each endowment in the year ended 31 January 2021 and was allocated in proportion to the value of investments held by each trust or fund.

18 Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the reporting period	1,703,445	(479,269)
Depreciation charges	136,429	142,165
(Gains)/ Losses on investments	(644,695)	135,320
Losses on disposal of fixed assets	5,450	-
Dividends, interest and rents from investments	(280,157)	(259,770)
Decrease in stocks	1,764	1,452
Decrease in debtors	125,112	1,729,356
Increase/ (decrease) in creditors	109,609	(1,042,311)
Net cash provided by operating activities	1,156,957	226,943

19 Analysis of cash and cash equivalents

Changes in net funds	31 January	Cash flows	1 February
	2022		2021
	£	£	£
Cash in hand	5,996,731	1,342,057	4,654,674
Cash held as part of investment portfolio	478,224	(124,824)	603,048
	6,474,955	1,217,233	5,257,722

20 Contingent Liabilities

Federation has recently registered for VAT and is currently in the process of determining current and historic VAT liabilities of which the College will incur a share. The value of this liability is not quantifiable at this time.

The College has no potential commitments to pay (2021: nil) in respect of future years of three-year grants awarded to MSc students as the grants have yet to be confirmed. These have not been provided for in these accounts as courses are often amended or not fully completed and therefore payment is not considered to be