



Royal College of Physicians of Edinburgh

Annual Report and Accounts

For the year ended 31 January 2025

A charity registered in Scotland, no. SC009465

Treasurer's Report

It is my pleasure to present the Annual Report and Accounts for the financial year 2024/2025, in which we review the activities and achievements of the College between 01 February 2024 and 31 January 2025.

This 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 as a Scottish charity.

Looking back I think that it would be fair to characterise this past financial year as being one filled with both challenges and success. I am very pleased with the financial outcome, which represents an important turn-around, given that at the start of this year we were projecting a significant operating loss. This transformational turnaround has been in no small part down to the hard work of the College's staff and executive management team. As an international College, with over 15,000 Fellows and Members across more than 100 countries, we have continued to face demanding domestic and international economics, geopolitical tensions and the seemingly ever-increasing consequences of climate change. Throughout all of this we have continued to remain focused on our charitable purpose (*to promote and improve the science and practice of medicine*) through delivery of our strategic priorities (*Our Strategy: 2023-2025*). Our Fellows and Members continue to be at the heart of everything that we do, and we remain well placed to provide practical guidance, resources and information to support the work and welfare of our Fellows and Members. I am always heartened when I hear others describe us in terms of being inclusive and welcoming and talking of our high standards.

Throughout 2024/25 we have continue to work closely with our Federation partners, the *Royal College of Physicians* (RCP) and the *Royal College of Physicians and Surgeons of Glasgow* (RCPSG), to provide postgraduate training, continuing professional development and the global delivery of the MRCP(UK) examination. We worked tirelessly with Federation and our sister Colleges to increase our delivery capacity, both in the UK and internationally. Supporting early career physicians to move smoothly and quickly through key stages of their training remains a key priority. Increasingly, our attention is directed to working collaboratively with our Federation colleagues to improve the underlying IT infrastructure to support the MRCP(UK) examination and to enhance the financial management and governance of this important partnership.

As I said earlier, this has also been a challenging year and whilst our income increased to £9.9 million (from £9.1 million in the previous year) our costs also increased by over £0.6 million to £9.6 million (from £9.0 million in the previous year). Closer examination of these accounts will also reveal that we gained a combined £2.4 million of increased value on our investments and on the value of the College's Queen Street building, but of course, most of the College's investments relate to restricted purpose bequests and endowments and the increased value of the Queen Street building is not realisable in day-to-day cash terms.

Looking forward, like other Royal Colleges, we continue to face challenges, however, we will keep working hard to address and mitigate against these whilst maintaining an emphasis on delivering value and service for all of our Fellows and Members and the wider profession.

I will continue to work now with the new Board of Trustees following our changes in governance at the start of May 2025, as we continue to drive and diversify our income, reduce costs where we can and develop our strategy beyond 2025.

Finally, I would like to extend my thanks to my colleagues on Council, the new Board and supporting committees who contribute voluntarily to the work of the College and give of their precious free time, and to the staff and management of the College who, as ever, have worked tirelessly.



Dr Kathleen White, FRCP Edin.

Treasurer

Royal College of Physicians of Edinburgh

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For the year ended 31 January 2025

The Royal College of Physicians of Edinburgh ('the College') is pleased to present its annual report for the year ended 31 January 2025, 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).

During the year, the College undertook a major review and restructuring of its governance, with changes coming into effect after the end of the financial year. Following these changes, the governance of the College now principally rests with a newly appointed Board of Trustees. Further details are provided on page 5 onwards.

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

During the financial year, the Charity Trustees comprised 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.

The Royal Charter mandates for elections to be held annually for elected members. To ensure continuity and retention of experience, elected members serve by convention a minimum of three consecutive annual terms but no more than six consecutive annual terms. Annual elections took place most recently in September 2024.

The elected members comprised:

President:	Professor Andrew Elder
Vice Presidents:	Professor Sunil Bhandari (England & Wales) Dr Conor Maguire (International) Dr Susan Pound (Scotland and Northern Ireland)
Constituency members:	Dr Neeraj Bhala Dr Patricia Cantley Dr Laura Clark Dr Andrew Coull (demitted September 2024) Dr Hamish Courtney Dr Alison Falconer Dr Hashain Jafferbhoy Dr Catherine Labinjoh Dr Helen Liddicoat Dr Kevin O'Kane Dr Sharan Ramakrishna Dr Caroline Scally (demitted March 2025) Dr Arjune Sen Dr Soon Hoo Song Dr Jane Wallace Dr Nicola Zammitt (elected September 2024)
Other elected members:	Dr Marilena Giannoudi (Trainees and Members' Committee Co-chair) Dr Hannah Preston (Trainees and Members' Committee Co-chair)

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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 annual terms, usually up to a maximum of 6 years. The appointed members comprised:

Treasurer	Dr Kathleen White	
Secretary	Professor Mark Strachan	(demitted September 2024)
	Dr Lesley Dawson	(appointed September 2024)
Dean of Education	Dr Kerri Baker	
Dean of Examinations	Dr Matt Thomas	
Dean of Quality Improvement	Vacant	
Dean of Training	Dr Dawn Ashley	(demitted February 2024)
	Dr Kerri Baker (Co-Dean)	(appointed April 2024)
	Dr Marion Slater (Co-Dean)	(appointed April 2024)
Director of Heritage and Honorary Librarian	Professor Angela Thomas	(demitted September 2024)
	Professor Mark Strachan	(appointed September 2024)
Chair of Equality, Diversity & Inclusivity Grp	Dr MaryAnn Ferreux	
Other appointed members:	Professor Linda Bauld (Faculty of Public Health)	
	Professor Sunil Bhandari (Academic Medicine)	
	Alex MacDonald (College Lay Advisory Committee)	(demitted April 2025)
	Kerry Flinn (College Lay Advisory Committee)	(appointed April 2025)
	Dr Frank Armstrong (Faculty of Pharmaceutical Medicine)	

Other principal Office Bearers

Editor-in-Chief of the Journal	Dr Graeme Currie
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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:

Professor John Connell
Professor Sir Alan Craft
Dr Deepak Dwarakanath
Ms Elaine Tait
Dr Kathleen White (Treasurer)

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:	MHA Chartered Accountants 6 Colme Street Edinburgh EH3 6AD
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Bankers:	Bank of Scotland 75 George Street Edinburgh EH2 3EW
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College Clerk:	Kenneth Pinkerton Brodies LLP 58 Morrison Street Edinburgh EH3 8BP
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Investment Managers:	Quilter Cheviot Ltd Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
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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

Over the period of this report the College undertook a major review and restructuring of its governance arrangements. This involved changes to our Royal Charter and Laws. HM King Charles III gave Royal assent to these changes at a meeting of the Privy Council on 06 May 2025; these changes came into effect immediately.

Following these changes the governance of the College now principally rests with a newly appointed Board of Trustees, the responsibilities of which are set out in Table 1. The responsibilities of Council under the new governance structure are set out in table 2:

Table 1 Board of Trustees

Responsibilities	Examples
Charity Governance	Ensure compliance with charity law and the Royal Charter and Statutes.
Financial Oversight	Budget approval, audit oversight, investment decisions, reserves policy.
Risk Management	Organisational risk register, safeguarding, reputational risk.
Legal & Regulatory Compliance	OSCR Reporting, GDPR, employment law.
HR & Remuneration	CEO appointment and appraisal, remuneration frameworks.
Operations & Infrastructure	Property, ICT, commercial ventures.
Oversight of Strategic Delivery	Monitoring delivery of strategic goals.

Table 2 Council

Responsibilities	Examples
Professional Standards	Curriculum development and examinations (via Federation), clinical guidelines, training issues, educational policy and content.
Policy & Strategy Development	Health policy on specific issues of interest/relevance, advocacy, professional priorities.
Membership Matters	Admission of Fellows and Members, setting eligibility and criteria, disciplinary issues (jointly with the Board of Trustees if substantial reputational risk), prizes and awards, disbursement of endowments (with Board of Trustees), engagement with international colleagues.
Academic & Educational Leadership	CPD (via Federation), academic collaborations, representation on external bodies (e.g., SIGN, AoMRC committees, etc.).
Strategic Planning	Developing the College's strategic direction in collaboration with the Board of Trustees.
Public Voice	Speaking on behalf of the profession, influencing government and NHS, social media, statements, consultation responses.

Council's decisions with major financial implications or that involve significant legal or reputational risk require approval by the Board of Trustees.

Prior to these changes, the College had delegated strategic and operational decision taking to Council, which, as the governing body, met around five times a year to manage the charitable activities of the College in accordance with its objectives. Council held the President and Vice Presidents, the appointed Office Bearers and the Chief Executive Officer responsible for the implementation of College policy.

Under both the old and the new governance arrangements, the College implements policy through a committee and departmental structure. These committees include the:

- Fellowship Committee;
- Trainees and Members' Committee;
- Education Strategy Group and various sub-committees;

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- Finance Committee;
- Audit and Risk Committee (commenced during financial year 2024/25);
- Investment Committee (formed post year end as part of the governance changes);
- Library and Heritage 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.

During the financial year, Council delegated authority for the management of the investment portfolio to certain appointed Trustees. Following the governance changes this was delegated to a new Investment Committee.

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 the new Board of Trustees (previously Council) are considered Charity Trustees.

On appointment or election, all Board (previously 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 (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 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

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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's mission is to promote and improve the science and practice of medicine. Through its current cohort of over 14,500 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 current strategy:

- To be the voice of physicians, shaping and influencing healthcare policy, maintaining and improving standards in education and training, and informing the public about key healthcare issues;
- Delivering lifelong learning to improve the practice of medicine by: (a) delivering a programme of outstanding, accessible education; (b) collaborating with other UK colleges; (c) using our library and heritage resources;
- Growing our College community by increasing Fellowship and Membership, promoting the value and benefits of belonging to an international community of physicians and their teams;
- Setting and maintaining standards in healthcare governance.

Achievements and performance

Membership

The Trainees and Members' Committee have continued their popular programme of Evening Medical Updates (EMUs) in 2024-2025 with all events being held virtually but access given to live link sites across the UK and internationally as well as for people to watch from their own home. These EMUs have continued to receive excellent feedback over the years.

The T&MC also ran their annual symposium, which for 2025 took place fully online due to Storm Eowyn. Over 300 delegates registered and over 30 poster presentations were accepted for the event along with 3 clinical lesson presentations and the Sir John Halliday Croom Lecture and the feedback from the event was very positive. One delegate stated "A wide range of insightful and incredibly knowledgeable speakers, with a good mix of clinical talks and those around the issues and opportunities in medicine. As an FY1 Doctor I found it both educational and inspiring." The diverse topics covered during the event as well as the mix of both clinical and non-clinical was very well received by the delegates. In other updates, the Committee have continued to send out quarterly newsletters to the Members updating them on the Committee actions and involvement across both College and external committees. They have also continued to use social media, notably X and Instagram to promote the work of the College including events but also any policy statements.

In 2024, the Recently Appointed Consultants' Committee ran two evening updates and an education course. The evening events held in March and November covered the topics of 'the Challenges of a Consultant' and 'Leadership in Healthcare'. The online course delivered in May 2024 focused on the topic of "Becoming a Consultant". This was offered as a half day or full day event with presentations aimed at senior trainees as well as recently appointed consultants covering topics such as interview skills and getting into research. Over 1300 registered for our evening events and over 60 registered for the online course. The feedback from these events was well received and provided great resources for our delegates which are accessible on our Education Portal.

In 2024, the Committee delivered a number of podcast episodes under 'Consultant Conversations' which included topics such as dealing with complaints, preparing to become a consultant and how to deliver feedback successfully. Further topics are planned for 2025. The Committee also began to refresh the free online resources available via the website which focused on top tips for recently appointed consultants. This included topics such as the 'first 100 days as a consultant'. This project will be completed in 2025.

Fellowship recruitment was steady, and, in total, 427 new Fellows were elected in 2024. The retention of Fellows and Members continued to be very good, with the vast majority renewing their annual subscriptions. The President and Council were delighted to welcome New Fellows and their guests to New Fellows' Ceremonies and Dinners held in the College on 14 June and 15 November 2024; the Ceremonies continue to attract Fellows from the UK and around the world.

The Fellowship Strategy Group (FSG) met regularly in 2024. It discussed issues arising and policy matters relating to the work of the Fellowship Committee which reviews nominations for election to Fellowship.

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This included looking at ways to increase fellowship nominations and updating the nomination process to make it easier for checks to be made and references to be taken up. The FSG have been looking at the different categories and definitions of Fellowship, and plan for a paper to go to Council in 2025.

Minor changes to the College Laws were passed in May including, allowing for the proposal and seconding of amendments by electronic means, and adding the Honorary Librarian and Heritage Trustee as a member of Council.

Regional Adviser elections were held for a number of Regions, and new Advisers were appointed for the West Midlands; Mersey; Grampian; Northern Ireland; Eastern Canada; Iraq - Excluding Kurdistan and Southern Area; Andhra Pradesh, Karnataka, Kerala & Telangana; East and North East India; Tamil Nadu; South Australia, Tasmania & Victoria; Nepal; Malta; Myanmar; Hong Kong; Zambia; and USA - Mid Western States.

External relations

There was significant activity in media relations, engagement with policy and political stakeholders - including elected politicians and government ministers - parliamentary briefings, public consultation responses and matters of importance to Fellows and Members.

Matters relating to the physician workforce continue to be a central policy focus for the College. In that regard, the policy and public affairs team were involved in the promotion of the annual physicians' census, which is a joint project that the College shares with the Royal College of Physicians of London, and the Royal College of Physicians and Surgeons of Glasgow. The census reported a rise in the number of patients that physicians are seeing with ill health due to the wider determinants of health, such as living in mouldy or damp homes, environment, poor air quality and education – sparking calls for government to address the “avoidable social causes” of ill health. The census results were disseminated externally and internally through the College's communications channels.

The College held a programme of meetings with key political and policy stakeholders across the UK to discuss healthcare and wider policy issues relating to the medical workforce and ongoing challenges within public health and medicine. Engagement with key cross-party parliamentary and government stakeholders has continued, including meetings with the Scottish Government Cabinet Secretary for Health and Social Care and Members of the Scottish Parliament (MSPs) who take an interest in health and social care policy.

The policy and public affairs team led work on the College's “health priorities” manifesto for the UK parliament election – polling day was on 4 July 2024. The College's manifesto focused on 4 main themes of importance to Fellows and Members including workforce, delayed discharges and patient flow, adult social care, and tackling ill health. The manifesto made 20 specific recommendations that the College called on the UK Government to introduce, in order to improve conditions for health and social care workers, and patients. We promoted the manifesto directly to MPs in Scotland, England, Wales and Northern Ireland, political parties and via the College's digital communication channels e.g. the website and social media accounts.

The College continues to be represented at various cross-party groups at the Scottish Parliament, host Scottish Health Action on Alcohol Problems (SHAAP), is a founder member of the Scottish Obesity Alliance (SOA), and is a member of the UK Health Alliance on Climate Change (UKHACC) and the NCD Alliance Scotland which is coordinated by the British Heart Foundation (Scotland).

The College's Lay Advisory Committee (LAC) continued to meet regularly throughout the year and positively influence the College's strategy and broader policy positions, with members providing lay input into a number of the College's policy consultation responses. Committee members remain keenly interested in the issues around delayed discharges and patient flow in hospitals, particularly in Scotland. Building on their previous work in this area, the LAC, with support from the policy and public affairs team, organised a successful online discussion event for Fellows and Members in Scotland working in geriatric medicine. Taking place in October 2024, event discussions focused on the Scottish Government's plans to reform the Adults with Incapacity Act and how this might impact on the safe discharges of patients with incapacity. The views gathered at this event were fed into the College's consultation response on the Adults with Incapacity Act and the LAC plan to monitor the subject closely.

After a competitive tender process, work commenced on the RCPE new website at the beginning of the year with the chosen agency. Initially there was a review of all aspects of the website, including a review of content of 8000 pages, user experience – the navigation and ability to find what was needed, ease of applying for membership, booking educational events, purchasing items from the online shop, as well as the design incorporating the mobile view of the site.

An emphasis of improving the user experience was paramount. Following this, new navigation was introduced with a change of emphasis to what is relevant to the user and their career stage, highlighting membership benefits and opportunities to join which are peppered throughout the site in optimum places. The site has a ‘one member’ approach with integrated information at the relevant place. A new area to highlight the ‘Impact’ the College makes was introduced and an enhanced search was

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built in which allows ranking the order of results, for example- recent events, and news items providing more relevant and timely results.

A new 'crisp' design gives a modern feel, fully compatible with mobile use. The Gallery and Library area now has its own theme and search results.



Eventbrite as a market leader was chosen and utilised as new booking system for educational and College events, highlighting member discounts and ensuring the correct discounts are offered. Other improved and new functionality includes the new online shop, enabling customers to pay at the time of order, a "Single Sign On" across all College sites, and a simplified application process for new members.

The website was created under the guidance of the Digital Strategy group and had input from Council and key College committees such as the Recently Appointed Consultants and Trainees and Members' Committee- enabling feedback from Fellows and Members at all stages of their careers.

The website was delivered in line with the projected expenditure profile.

In tandem with the website project there was a review of the marketing and promotion of educational and professional development events and services. A simplified and streamlined price offering has been introduced with additional emphasis on the discounts offered to Fellows and Members.

New branding has been created for events, with each event having its own identity through imagery which is carried through from the website, emails, social media to the event information. A database 'Specialist info' doctors was purchased to help target and continue to increase our reach to the non-member medical community.



A new College show reel has been successfully introduced, this video incorporates all the areas the College touches and has been well received.

Going forward there is a focus for reviewing the understanding of 'why' physicians connect, join and become involved in the work of the College and translating this to up to date relevant messages and content. This will happen through the work of the membership survey and refreshed corporate strategy in 2025.

Heritage

The College's latest exhibition, Wild & Tame: Animals in History, opened to the public in July 2024. This exhibition used the College's collections to explore the historical intertwining of human and animal medicine and how studying animals has enhanced understanding of evolution, biology and human illness.

The College's Physicians' Gallery has been awarded Museum Accreditation status by Museums Galleries Scotland. This demonstrates that our collection care, public access and management consistently meet national museum standards.

The Heritage team continued support for other College teams, with 16 displays accompanying Education and Venue team events, 618 historical research enquiries from Fellows, Members and academics and 52 talks and tours for visiting Fellows and commercial clients.

The College Joined NHS Scotland's Knowledge Network interlibrary loan system. The College's modern books are now available to borrow by all NHS Scotland staff.

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 at the College, as well as a health Board

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specific, and international jointly run fellowship with WHO have continued and been completed with places fully subscribed. The QGC has continued to build links with the World Health Organization (WHO), through both the international fellowships.

Cohort 5 of the Quality Governance Fellowship programme successfully concluded in July 2024. Cohort 6 of the fellowship programme commenced with a full cohort of participants in January 2024 and concluded on 23rd January 2025. A resident doctor was the cohort 6 recipient of the Sir William Wells Scholarship was selected via application review by the QGC and with selection input from Sir William Wells.

The QGC has been contracted to facilitate development work on a Clinical Governance framework for a specific NHS England Health Organisation. This work is aligned to the QGC's missions of improving health and social care governance across the health landscape both within the UK and abroad. This work is due to conclude in early 2025.

Education, Training and Assessment

The college continues to deliver a diverse educational offering, to over 17,000 delegates, through established specialist Symposia, a range of Courses, Evening Medical Updates focussing on the Internal Medicine Curriculum, and International Medical Updates from around the world, all developed with the support of Fellows and Members. A new, modernised booking system was launched in 2024 alongside the new College website, which is improving the user experience for all delegates.

During 2024 we expanded our online educational offering, delivering a greater number and broader range of educational meetings and formats, including joint events covering Diabetes and Renal Medicine; Connective Tissue Diseases and Rehabilitation Medicine. Hybrid and face-to-face events continue to attract high numbers of delegates with highlights including our flagship St Andrew's Day Symposium in November, the Edinburgh International Course on Medicine for the Older Adult in May, as well as regional events in Aberdeen, Cardiff and Northeast England. In addition to medical specialist topics, we've also been able to focus on matters of public health considering current challenges in Scotland in relation to Alcohol and Substance Abuse.

We continue to develop partnerships in Scotland and around the world, working with the American College of Gastroenterology the Scottish Society of Gastroenterology; the Society of Bedside Medicine; St Peter's University Hospital; Kenya Association of Physicians; and ME Action. RCPE faculty represented the College at several international meetings during the year including the Joint Meeting of the Jordanian Society of Internal Medicine and Arab Society of Internal Medicine; the Innovative Physicians' Forum (IPF) MEDICON India; the 23rd International Congress and Scientific Seminar organised by the Bangladesh Society of Medicine; MEDICON India; the Hong Kong College of Physicians and RCPE's Joint Scientific Meeting; KIMSHEALTH Annual Internal Medicine Update, India and the Ceylon College of Physicians 57th Annual Academic Sessions.

Thanks to generous bursaries from the Myre Sim fund we were again able to send trainees to several European events: the McMaster International Review Course in Internal Medicine (MIRCIM) in Poland; the European School of Internal Medicine (ESIM) winter school in Sweden and the ESIM summer school in Spain. Brian Chapman Scholarships were awarded to doctors from Kenya and India to attend the annual Edinburgh International Course in Medicine of the Older Adult along with the winners of the 2020 scholarship, from Nepal and Ethiopia who were unable to attend because of the pandemic. Through our continuing collaboration with the University of Edinburgh we awarded scholarships for our joint MScs to postgraduate students from Bangladesh, Ireland, India, Kenya, Malaysia, Singapore, Tanzania and the United Kingdom.

We continued our successful programme of International Medical Updates, and this year featured webinars from our international Fellows and Regional Advisers in Australasia, Hong Kong, Iraq, Kenya, and Oman. In addition to medical specialist topics, we've also been able to focus on matters of public health considering current challenges in Scotland in relation to Alcohol and Substance Abuse.

Thanks to a generous bequest from former Fellow of the College, the late Dr Joyce Grainger, we have developed video-based resources on communication skills for doctors handling complaints and difficult conversations. Although primarily intended for International Medical Graduates (IMGs), the resources will be useful to any doctor new to the NHS and are free to access from our Education Portal.

Over the year, RCPE delivered over 800 PACES exam places, at 24 centres across the UK including Inverness, Southampton and Carmarthen consistently receiving good/excellent feedback from candidates. New exam centres, St John's Livingston and the Royal Infirmary In Edinburgh came on board, and working with the international team, the digital education and exams teams supported delivery of the Global Health Workforce project in partnership with the Kenya Association of Physicians, funded by the UK Government and managed by Global Health Partnerships (formerly THET). This project has helped to develop a faculty of specialist physician trainers and examiners to address the shortage of physicians in Kenya.

The Education Portal is an online hub for educational assets, providing access to hundreds of hours of materials. Highlights from the year have been added to that bank of information and are available on demand to all Fellows and Members.

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Podcasts continue to be a popular and valued resource: Clinical Conversations and Career Conversations from the Trainees and Members' Committee, and Consultant Conversations from the Recently Appointed Consultants' Committee.

Dr Kerri Baker and Dr Marion Slater took over the role of Dean of Training from Dr Dawn Ashley, and Dr Jane Goddard has demitted as Secretary of the Symposium Committee after 15 years. We would like to thank all the Fellows and Members who support education, exams and international delivery.

Keynote lectures 2024-25

Symposium	Keynote Lecture	Recipient
Medicine of Older Person	Prof Anne Ferguson	Prof Stuart Ralston
Regional event: Aberdeen	Sir Derrick Melville Dunlop	Mr Andrew Thomson
Renal & Diabetes/Endocrine	Dr Andrew Duncan	Prof Brian Kennon
Connective Tissue Disease	Dr James Lind	Prof Thomas Dorner
Regional event: Cardiff	Dr Andrew Cairns Douglas	Dr Olwen Williams
Heart Failure	Dr George Alexander Gibson	Prof Mariana Fontana
Regional event: North England	Sir Robert Sibbald	Dr Alastair Miller
Rehabilitation Medicine	Sir Byrom Bramwell	Dr Manoj Sivan
Gastroenterology with ACG & SSG	Sir Stanley Davidson	Dr David T Rubin
Palliative Medicine	John Hamilton Brown	Prof Arjun Gupta
St Andrew's Day – Updates in Acute Medicine – Day 1	Sir James Cameron	Dr Chris Turner
St Andrew's Day - Updates in Acute Medicine – Day 2	Sir Neil Douglas	Dr Vicky Price
Maternal Medicine	Dr Ella Pringle	Prof Jenny Douglas

Corporate Services

Weddings and celebrations remained strong throughout 2024-25, with an emerging trend towards smaller, more intimate weddings. This reflects a broader tightening of budgets in some segments. Adapting to this, we introduced an elopement package which was designed to make use of our historic venue during quieter periods, and which has seen strong uptake over the past 12 months, demonstrating the value in targeting niche markets with bespoke packages.

Corporate events continue to move from hybrid to fully in-person. Event lead times have also reduced considerably with mid-sized conferences often confirmed within six months or less and smaller meetings frequently organised within a three-month window. Encouragingly, attendance at in-person events has returned to pre-COVID levels.

We continue to monitor market trends and ensure our marketing and commercial packages remain relevant and aligned with client aspirations.

We increased AV charges from mid-2024 to reflect the true value of our technical services and this will support ongoing investment in equipment and resources. Whilst increasing charges has presented some challenges, we've adopted a flexible approach, particularly with long-standing clients, to ensure customer retention. The full financial impact of this will be in late 2025 or into 2026.

The Venue team has returned to full strength for the first time since the onset of the pandemic. This has significantly improved team stability, responsiveness, and the overall client experience.

The IT Team continued to support our diverse range of online services, involving a combination of on-premise infrastructure, cloud-based platforms, and software-as-a-service solutions. These services are managed by the RCPE IT team, who work to ensure they remain reliable, resilient, secure, and cost-effective. There is a high level of ongoing support to staff working both on-site and remotely, as well as to office bearers and others contributing to College activities. There was also continued assistance to members, Fellows, and a broader community of users who use the College's digital services.

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During 2024–25, the IT team completed several key projects including upgrading Microsoft servers and Office 365, supporting the successful launch of the new College website, relocating the College's virtual phone system, and rolling out zero-trust remote access services to enhance security.

The HR team continued to play a key role in supporting staff. There were greater opportunities for staff to participate in training and development activities through both in-person courses and online training. All staff attended multiple in-person training sessions, supporting staff retention and enhancing management skills. The team continued to deliver staff recruitment campaigns designed to attract the best candidates, identifying and utilising a wider range of advertising routes, and ensuring a fair and consistent approach.

Partnerships and collaborations

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

In collaboration with the Academy of Medical Royal Colleges and Facilities in Scotland ("the Scottish Academy"), the College provides secretarial and administrative services to the Scottish Academy as well as managing the external adviser service, a Scottish Government funded programme which identifies external clinical advisers to support NHS consultant recruitment panels across health boards in Scotland, as required by the NHS (Appointment of Consultants) (Scotland) Regulations 2009. In 2024, the external adviser service accommodated 569 requests for trained external advisers (all current NHS consultants), from which 435 consultant appointments were made. Working with the Scottish Academy, a further 20 external advisers were enlisted, bringing the total cohort of advisers to over 492 (both active and reserve).

Alongside supporting consultant recruitment, the external adviser service collects and analyses qualitative and quantitative data in order to highlight recruitment challenges. The service works collaboratively with the Scottish Government to promote pan-health board recruitment, particularly in specialties which have historically not gained sufficient interest from potential applicants, and continues to encourage and help facilitate specialty-specific training for all external advisers on behalf of the relevant faculties and the Medical Royal Colleges.

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

Sustainability

Climate change is one of the defining challenges of our time and the College recognises its responsibilities in rising to meet this challenge. The growing intensity of weather events and their devastating impact combined with mounting geopolitical tensions challenge us to urgently address the sustainability question, and to take seriously our responsibilities to ensure a just and sustainable future for our planet. To this end, the College has established a working group tasked with advising on how the College can support its worldwide community of Fellows and Members, many of whom are in the frontline of climate change, improve its own environmental sustainability through reducing its carbon footprint, and where it might deliver research, for instance into air borne pollution around schools, to inform government policy. The College is also a member of the UK Health Alliance on Climate Change (UKHACC) which, amongst other things, provides guiding principles for health organisations.

To help meet our responsibilities, the College is planning to re-tender its catering arrangements. This will include an emphasis on local produce with fewer carbon miles. Recycling of waste is also a central priority with plans to increase recycling in key areas, including targeting waste that has traditionally been landfill specific, such as an initiative to recycle paper towels. We are also actively in discussions with partner organisations in relation to carbon off-setting for international travel and are trying to reduce the overall number of flights per annum, with an emphasis on using trains for domestic travel. Alongside this, our policy is to source utilities, as far as we can, from renewable sources; currently 100% of the electricity used by the College is from renewable sources.

Financial review

Over the reporting period, the College returned a total surplus of £1,309,339 (2024: surplus of £421,956). This was mainly due to gains of £1,051,268 (2024: £301,466) in the investment portfolio valuation as global equity and bond markets improved.

Incoming resources

Total income increased from £9,155,214 to £9,909,385, an increase of £754,171 (8%).

Examination income increased by £396,789. This was mainly driven by Federation, which saw candidate numbers returning to pre COVID levels.

Royal College of Physicians of Edinburgh

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Education and training income rose modestly, by £238,421, again this was mainly driven by growth at Federation. The number of students taking the MSc for Internal medicine and Critical Care programmes also rose.

Income from the letting of rooms and facilities rose by 12% (£83,573) to £792,246, reflecting improved pricing and continued growth in bookings and space utilisation. There was an ongoing trend of increasing demand for in-person events with further increases in weddings and other celebration events. The College also continued to deliver a range of commercial and social events through hybrid and virtual models.

Membership income rose by nearly 10% following an increase in subscription rates during the year. Investment income grew by 15.5% to £403,780.

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.

Resources expended

Overall, costs increased by £616,590 to £9,651,314 across all funds. In part this reflects higher income and was also against a continuing backdrop of higher than average inflation and overhead cost increases.

Exam costs increased from £3,098,620 to £3,233,975. The main driver was costs for Part 1 and Part exams along with smaller increases for PACES international exams, with RCPE's share of the costs of these exams, which is delivered by Federation, increasing from £882,274 to £904,885. PACES international margins improved significantly during the year. Exam costs for UK PACES, which is delivered by the College, were broadly in line with last year although this was with a small decrease in candidate numbers.

Education and training costs increased by £116,205. This was due to increased activity as the College aimed to increase the size of its Educational programs.

Across the College as a whole, staff costs increased by £292,119 to £3,728,439. This reflected the both the annual pay award and a small increase in the number of FTE's. Overall support costs have remained consistent. Total Venue costs have risen by £278,300 to £1,186,762 but this reflects the increased number of external events, which also increases the allocation of support costs.

Balance sheet

Fixed assets increased by £2,716,055 due an increase in the building valuation, favourable movements in the investment portfolio and capitalising the cost of work on the new College website. The College's historic building in Edinburgh was revalued at year end as required under our accounting policies. The Investment portfolio valuation at 31 January 2025 had increased by £1,040,934 (9%) as global equity and bond markets improved due to inflation expectations and an improving economic backdrop. Capitalising the new College website reflects ongoing investment in improving our operating systems.

Cash balances across all funds remain at an acceptable level to meet future financial commitments and to ensure the College is a going concern. Included within the balance sheet results is the College's 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).

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 Federation's auditors, Shipleys LLP.

Investment policy and performance

The Trustees of the investment portfolio have instructed our investment managers to maximise the total return on all funds within the constraints of a globally-based, medium risk portfolio. This includes a bias towards companies with strong balance sheets and visible, reliable earnings. The 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 or companies whose primary business is involved with high interest lending, pornography, gambling or the manufacture of alcohol. In addition, the Trustees wish the investment manager to incorporate an exposure to companies involved in the advancement of healthcare or the promotion of clean energy. The portfolio is diversified across fixed interest, alternatives, cash and equity asset classes.

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Headlines in the year impacting on portfolio performance include:

- A continued improvement in global equity and bond (fixed interest) markets against a backdrop of gradually falling inflation and interest rates.
- The primary driver of the portfolio's performance was US equities, contributing around half of the portfolio's total return. The US stock market benefitted from robust economic growth during 2024, which fed through to strong corporate earnings. Technology and financial services stocks were the standout performers. UK equities contributed 30% to the portfolio's total return, driven by financials, consumer staples and technology stocks.
- A constructive outlook for markets persists for now; the US economy has demonstrated resilience, and its equity markets have rallied strongly since the US election in November. That said, President Trump's re-election likely heralds a period of significant change to US economic and foreign policy, with the prospect of heightened uncertainty leading to market instability. Accordingly, some risk-mitigating changes were made to the portfolio towards the end of the reporting period.

The value of the investment portfolio held by the College at the period end was £12,672,690 (2024: £11,631,756). Portfolio income received in the financial year was £346,035 (2024: £307,640). The portfolio's total return after fees was 11.7%. The income target and other investment objectives, as set out above, were achieved during the year.

Reserves

The College has a balance of unrestricted reserves as at 31 January 2025 of £11,341,091 (2024: £9,866,641). Unrestricted reserves include fixed assets and investments of £9,307,213 leaving free reserves of £2,033,878 (see note 17), which is held as general and designated reserves and mainly comprises the value of net current assets derived from past and current unrestricted operating results. The new Board (previously Council) decide the level to hold in each reserve.

There is an unrestricted revaluation reserve of £3,534,675 (2024: £2,184,675), reflecting our heritable property which was valued at £7.35m as at 31st January 2025 (see note 11).

The College currently holds unrestricted reserves of over one year of 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 £2,138,653 (2024: £1,850,481) and endowment funds of £11,448,473 (2024: £10,551,756), 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 held by the College as at 31 January 2025 was £19,683 (2024: £16,813). The College also acts as custodian of funds for activities delivered by the Senior Fellows Club. The funds held as cash at bank by the College as at 31 January 2025 were £12,067 (2024: £15,956). For further information, see note 14.

Risk management

The Charity Trustees of the College have established processes by which they review, identify and assess major strategic risks and ensure that appropriate controls and mitigations are in place. The College has established a new Audit and Risk Committee (ARC) which met for the first time in January 2025. Responsibility for risk management was delegated by Council to the new ARC with day to day management exercised by the CEO and Senior Management Team. Operational risks are identified by that team and are now reported regularly to the ARC for discussion and approval. Following the governance changes, the ARC now reports to the new Board.

Risk management is a standing item on the Council agenda with the top risks summarised for Trustees, including those arising from shared activities through Federation. Reports include pre and post mitigation scoring and corrective action.

Recognised areas of risk include:

- The importance of robust Federation operational, financial and governance arrangements, given the impact on the sustainability of this major source of income, the long-term relationship of the College with key partners and the financial propriety of the College as a charity.
- Reputational risks across the variety of different College operations.
- Ongoing cost pressures.
- The threat to College systems from cyber-attack and the associated risk of information breach.

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

- 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.
- Managing the underlying operational cost base of the College and seeking to grow and diversify income streams. Central to this will be finding efficiencies and resourcing services appropriately.
- Executive are focusing on improving management information systems to allow better analysis and informed decision making around income and strategic investment.
- The College continues to monitor the current political and economic environment in which it operates and engages with appropriate stakeholder bodies so it can monitor and react to any material changes in policy or direction.
- Ongoing review of cyber security and information governance, additional staff training, external systems audit and certification.

Future plans

Membership

Under the guidance of the Secretary, the Membership Services team will focus on the elections of the President, Vice President and Council, with results announced at the Annual Meeting of the College on 28 November 2025.

Work on the subscriptions cycle has resulted in many Fellows and Members paying their 2024/25 annual subscriptions, so retention continues to be very good when Fellows and Members are experiencing cost of living pressures. Membership Services continues to work on an active rolling programme of UK and International Regional Adviser elections throughout the year, with elections of new Advisers underway for several international and UK Regions.

The Trainees and Members' Committee will be delivering their next annual symposium on Friday 27 February 2026, taking place at the Royal College of Physicians of Edinburgh which was not possible in 2025. Planning is underway for this and call for submissions for our Clinical Lesson and Croom Lecture prizes will be opening in the Autumn. Prior to that, the T&MC will be holding their annual elections to the Committee over the Spring season. The new committee will be appointed beginning in September 2025.

The Recently Appointed Consultants' Committee will be holding two evening updates in March and November as planned with the March event covering AI in healthcare. The committee have appointed their new members beginning in January 2025 and will have their strategy day in February to plan their activity for the year.

We are also continuing to progress projects and activities with our College Advisory Forum on the Environment (CAFE) & Air Pollution Groups as well as our Equality, Diversity & Inclusivity (EDI) Committee. Within CAFE, we are continuing to look at the UKHACC 11 commitments and progress these. As part of our EDI work, the partnerships with Surviving in Scrubs, Melanin Medics and BAPIO are ongoing with actions being taken forward in 2025.

Quality Governance Collaborative

Applications for Cohort 7 of the fellowship programme closed in November 2024, and the fellowship successfully started in January 2025.

The QGC is starting a new joint fellowship programme to be hosted in Greece for both Greece and a wider EU member state participation. The programme commenced in September 2024 and will have QGC Experts delivering governance modules virtually to an in-person group of participants in Athens and is due to conclude July 2025 in Edinburgh. This project work is underway with WHO Athens Quality of Care and Patient Safety Office.

Education, Training and Assessment

Looking forward to 2025-26, the exams team continue to develop links with new centres and will support Federation colleagues with the development of a new Exams Management System. Over 900 exam places will be offered by the College in 2025, alongside new exam centres at Chorley District Hospital and Tameside Hospital.

Educational events continue to respond to needs of Fellows and Members, with some highlights including a joint conference with NHS Education for Scotland (NES) in Edinburgh, focussing on Women in Leadership, and the roll out of new digital education products. The impact of climate change on medicine around the world is a key issue and will be discussed as part of an educational series focussing on One Health. We will continue to engage with colleagues around the world to support the education, training and assessment needs of medical professionals.

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Heritage

The College will open the extension to the Physicians' Gallery, generously funded by Dr Joyce Grainger's Charitable Trust, and will be titled the Joyce Grainger Learning Centre. The new rooms will contain a permanent display celebrating the College's rich history as well as an activity area for young people to encourage an interest in health and medicine.

A planned programme of tours, workshops and activities will take place in the new Learning Centre to reach new and more diverse audiences and provide resources for Fellows and Members.

The College will also open a new temporary exhibition in May 2025 titled *Hooked: 500 Years of Addiction* which will explore the complex history of substance and behavioural addictions.

The Heritage team will launch a project of Remote & Rural Remedies school kits – resources for schools in the Highlands and Islands. These kits will contain activities and replica objects relating to Scottish medicine past and present and the work of the College. The kits are funded by the Myre Sim fund and will be gifted to schools in the most remote parts of Scotland.

Corporate Services

The Venue team are focussed on improving utilisation levels, particularly for the conference centre. Work will include more promotional activity and attending a wider range of trade shows. Additionally, we aim to engage with Fringe Festival organisers and others to increase visibility of our weekday event offerings. A key objective will be to better promote less frequently used spaces and encourage full-day bookings where possible. We still face challenges, with two rooms previously available for meetings and breakout sessions now converted into the new Education Centre.

The upcoming implementation of a new diary system is expected to streamline operations and improve our client's experience. We are also considering whether to appoint a single caterer later in the year, which would provide a more uniform service standard, improve cost control and simplify running each event.

Sustainability is becoming an increasingly important factor for many clients. We are seeing growing expectations for venues to demonstrate their commitment to environmentally responsible practices. At present, we highlight areas such as the sustainable sourcing policies of our caterers and the College's use of renewable energy. During the coming year we will assess how we can further improve and communicate our sustainable practices.

In the coming year, the IT team will be completing the migration to Windows 11, finalising upgrades to the firewall infrastructure, continuing the upgrade of staff hardware, implementing new digital signage across the premises and enhancing parts of the College's networking systems. Work will also continue to progress to higher levels of security certification. These improvements will maintain high levels of reliability and performance across our online systems and services.

The College is operating in a challenging financial environment. There will be ongoing work over the coming year and beyond to review our activities to identify and implement efficiencies and cost savings. Our review of Finance systems will continue with a new expenses system planned for later in the year.

The HR team are recruiting to expand capacity within the team, ensuring the College is well supported on all HR matters. The challenging recruitment market is expected to continue and to support this our approach will be adapted to suit each specific vacancy. The identification of an HR database, e-recruitment software and other HR systems to provide digital solutions will be further progressed. Training, tools and support to guide staff and managers and increase their knowledge of College policies and processes will continue to be developed and implemented.

The Board of Trustees responsibilities

The new Board of Trustees 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 the Board 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, The Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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.

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The Board 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 Board 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.

The Board is responsible for 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 Board of Trustees on 20th June 2025 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'A. Elder', is positioned above the printed name of the President.

President: Professor Andrew Elder

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE ROYAL COLLEGE OF PHYSICIANS OF EDINBURGH

FOR THE YEAR ENDED 31 JANUARY 2025

Opinion

We have audited the financial statements of the Royal College of Physicians of Edinburgh (the 'charity') for the year ended 31 January 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 January 2025 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 of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of Council

As explained more fully in the Statement of Council's Responsibilities, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 financial statements

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 the Acts and relevant regulations made or having effect thereunder.

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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Use of the report

This report is made solely to the charity's Council, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to 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, its Council as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

20 June 2025

MHA is the trading name of MHA Audit Services Limited, a limited liability partnership in England and Wales (registered number OC455542)

MHA 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 2025

	Notes	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2025	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024
		General	Designated				General	Designated			
		£	£	£	£	£	£	£	£	£	£
Income and endowments from:											
2	Donations, grants and legacies	49,407	-	346,968	-	396,375	461,084	-	271,667	-	732,751
3	Charitable activities	8,121,593	-	195,391	-	8,316,984	7,268,724	-	95,524	-	7,364,248
4	Other trading activities	792,246	-	-	-	792,246	708,673	-	-	-	708,673
5	Investments	27,928	34,617	341,235	-	403,780	30,030	22,455	297,057	-	349,542
	Total income	8,991,174	34,617	883,594	-	9,909,385	8,468,511	22,455	664,248	-	9,155,214
Expenditure on:											
6	Raising funds	1,226,738	1,504	6,536	56,942	1,291,720	927,723	1,268	18,323	35,130	982,444
7	Charitable activities	7,712,823	86,752	560,019	-	8,359,594	7,483,895	99,779	468,606	-	8,052,280
	Total expenditure	8,939,561	88,256	566,555	56,942	9,651,314	8,411,618	101,047	486,929	35,130	9,034,724
Net income/(expenditure) before gains and losses on investments											
		51,613	(53,639)	317,039	(56,942)	258,071	56,893	(78,592)	177,319	(35,130)	120,490
12a	Net gains/(losses) on investments	75,006	22,603	-	953,659	1,051,268	21,509	6,482	-	273,475	301,466
	Net income/(expenditure)	126,619	(31,036)	317,039	896,717	1,309,339	78,402	(72,110)	177,319	238,345	421,956
17d	Transfers between funds	(250,689)	279,556	(28,867)	-	-	(647,834)	676,035	(28,201)	-	-
11	Other recognised gains/(losses): Gain on property revaluation	1,350,000	-	-	-	1,350,000	-	-	-	-	-
	Net movement in funds	1,225,930	248,520	288,172	896,717	2,659,339	(569,432)	603,925	149,118	238,345	421,956
Reconciliation of funds:											
17	Total funds brought forward as restated	7,488,076	2,378,565	1,850,481	10,551,756	22,268,878	8,057,508	1,774,640	1,701,363	10,313,411	21,846,922
17	Total funds carried forward	8,714,006	2,627,085	2,138,653	11,448,473	24,928,217	7,488,076	2,378,565	1,850,481	10,551,756	22,268,878

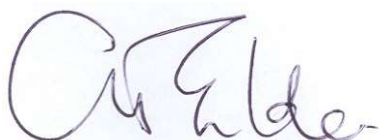
The Statement of Financial Activities includes all gains and losses in the year and all incoming resources and resources expended derive from continuing activities. The notes on pages 24 to 42 form part of these accounts.

Balance Sheet

as at 31 January 2025

	Notes	Total funds 2025	Total funds 2024
Fixed assets		£	£
Tangible fixed assets	11a	7,923,390	6,407,875
Intangible fixed assets	11b	159,606	-
Investments	12 a	12,672,690	11,631,756
Other Investments	12 b	-	-
Total fixed assets		20,755,686	18,039,631
Current assets			
Stocks		21,678	26,392
Debtors	13	2,103,430	1,835,351
Cash at bank and in hand	19	6,629,356	6,678,095
		8,754,464	8,539,838
Creditors: amounts falling due within one year	14	(4,234,385)	(4,025,436)
Net current assets		4,520,079	4,514,402
Total assets less current liabilities		25,275,765	22,554,033
Creditors: amounts falling due after one year	15	(347,548)	(285,155)
Net assets		24,928,217	22,268,878
Unrestricted funds	17	5,179,331	5,303,401
Designated funds	17a	2,627,085	2,378,565
Restricted funds	17c	2,138,653	1,850,481
Endowment funds	17b	11,448,473	10,551,756
Unrestricted revaluation reserve	17	3,534,675	2,184,675
Total funds	17	24,928,217	22,268,878

Approved by the Board of Trustees on 20th June 2025 and signed on its behalf by:



President: Professor Andrew Elder



Treasurer: Dr Kathleen White

The notes on pages 24 to 42 form part of these accounts.

Statement of Cashflows

for the year ended 31 January 2025

		2025	2024
		£	£
	Notes		
Net cash used in operating activities	18	<u>(41,332)</u>	<u>(39,303)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		403,780	349,542
Purchase of property, plant & equipment		(421,521)	(127,698)
Purchase of investments		(1,822,866)	(10,400,297)
Proceeds from sale of investments		<u>2,071,711</u>	<u>10,182,105</u>
Net cash provided by investing activities		<u>231,104</u>	<u>3,652</u>
Change in cash and cash equivalents in the year	19	<u>189,772</u>	<u>(35,651)</u>
Cash and cash equivalent brought forward		6,761,306	6,796,957
Cash and cash equivalents carried forward	19	<u>6,951,078</u>	<u>6,761,306</u>

The notes on pages 24 to 42 form part of these accounts.

1 Statement of accounting policies

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

The College is constituted in the UK by Royal Charter and registered with the Office of the Scottish Charity Regulator (OSCR) and HM Revenue & Customs under charity number SC009465. The registered office details are shown on Page 3. 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. The accounts are prepared in pounds sterling as this is the functional currency of the charity rounded to the nearest pound.

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.

(ii) Defined benefit pension fund valuation

The Federation has a number of ex-employees who are members of a defined benefit scheme. The valuation of this scheme is determined using an actuarial valuation. The College's Accounts include a proportion of any scheme deficit which is recognised in Federation's financial statements. The actuarial valuation involves making certain assumptions to determine the amount to be recorded as the pension scheme obligation including inflation rates, member turnover, pension increases, expected return of scheme assets and discount rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the liabilities, such estimates are subject to significant uncertainty.

(iii) Heritable property valuation

The value of the College's heritable property is determined using a qualified chartered surveyor. The valuation involves making assumptions about the price per sq. ft. of similar property in a similar area, such estimates are subject to a degree of uncertainty as the true value can only be obtained in the open market.

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.

Joint arrangements - Federation activities

The Federation of the Royal Colleges of Physicians is a collaboration between the Royal College of Physicians of Edinburgh, the Royal College of Physicians and Surgeons of Glasgow, and the Royal College of Physicians of London, a working arrangement with a Memorandum of Understanding. Relevant income and expenses 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 expenditure categories within notes 3 and 7 to the financial statements. Amounts due from / to the Federation at the balance sheet date are included in debtors / creditors with further disclosures in the Related party note 21.

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 1 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 1 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 and intangible 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 £1000 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 | 12 - 33% straight line |
| • Plant and machinery | 10% straight line |

Intangible fixed assets

Intangible assets are capitalised when the cost of the project exceeds £1000 and has a useful life spread over a number of financial years. These costs are amortised in equal instalments over their anticipated useful life.

- | | |
|-----------|-------------------|
| • Website | 20% 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.

Notes to the Accounts (continued)

For the year ended 31 January 2025

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 notes 11a, 11b and 11c.

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 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 3 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 schemes

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 Federation has a number of ex-employees who are members of a defined benefit scheme. The valuation of this scheme is determined using an actuarial valuation. The College's Accounts include a proportion of any scheme deficit which is recognised in Federation's financial statements.

Notes to the Accounts (continued)

for the year ended 31 January 2025

2 Donations, grants and legacies

	2025	2024
	£	£
Donations	102,483	482,464
Grants - non contractual	293,892	250,287
	<u>396,375</u>	<u>732,751</u>

3 Income from charitable activities

	2025	2024
	£	£
Subscriptions	2,091,426	1,906,803
Examinations	3,935,383	3,538,594
Education and training	1,887,761	1,649,340
Grants	195,391	99,424
Other	207,023	170,087
	<u>8,316,984</u>	<u>7,364,248</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 **£4.1m** in the year (2024: £3.7m).

4 Income from other trading activities

	2025	2024
	£	£
Letting of rooms and facilities	792,246	708,673
	<u>792,246</u>	<u>708,673</u>

5 Income from investments

	2025	2024
	£	£
Portfolio derived income	346,035	307,640
Bank deposit income	57,745	41,902
	<u>403,780</u>	<u>349,542</u>

6 Expenditure on raising funds

	Activities undertaken directly	Support costs	Total	Total
	£	£	2025	2024
	£	£	£	£
Rooms and facilities	547,110	639,652	1,186,762	908,462
Investment management	69,461	35,497	104,958	73,982
	<u>616,571</u>	<u>675,149</u>	<u>1,291,720</u>	<u>982,444</u>

Notes to the Accounts (continued)
for the year ended 31 January 2025

7	Expenditure on charitable activities	Activities	Support	Total	Total
		undertaken directly £	costs £	2025 £	2024 £
	Membership services	574,027	574,193	1,148,220	1,111,446
	Quality Governance Collaborative	117,081	10,886	127,967	176,547
	Heritage	310,358	191,546	501,904	467,768
	Examinations	2,837,063	396,912	3,233,975	3,098,620
	Education and Training	2,268,702	1,045,402	3,314,104	3,197,899
	Other charitable activity	33,424	-	33,424	-
		<u>6,140,655</u>	<u>2,218,939</u>	<u>8,359,594</u>	<u>8,052,280</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 **£2.6m** (2024: £2.5m).

8 Grant making activities

Included within Education and Training direct costs are grants made by the College during the year totalling **£70,020** (2024: £95,382) from designated and endowed funds as follows:

	2025 £	2024 £
Tuition fees for 9 (2024: 12) students of the MSc Internal Medicine at the University of Edinburgh	32,875	50,960
Tuition fees for 11 (2024: 13) students of the MSc Critical Care at the University of Edinburgh	37,145	44,422
	<u>70,020</u>	<u>95,382</u>

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

9	Allocation of governance and support costs	Total allocated 2025 £	Governance related £	Other support costs £	Total 2024 £
	Staff costs	1,818,970	220,057	1,598,913	1,714,948
	Building upkeep, repairs and management	161,259	-	161,259	168,856
	IT costs	102,135	-	102,135	88,920
	Utilities	148,159	-	148,159	159,179
	Travel and subsistence	45,760	-	45,760	48,849
	Other general management overheads	587,239	471,537	115,702	640,310
	Depreciation	30,567	2,965	27,602	33,114
		<u>2,894,089</u>	<u>694,559</u>	<u>2,199,530</u>	<u>2,854,176</u>

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	Indirect	Total	Total
	undertaken directly £	costs £	2025 £	2024 £
Staff costs	-	220,057	220,057	207,473
Auditors' fees	20,405	-	20,405	29,944
Legal and professional fees	322,907	-	322,907	372,205
Other	-	131,190	131,190	138,988
	<u>343,312</u>	<u>351,247</u>	<u>694,559</u>	<u>748,610</u>

Notes to the Accounts (continued)

for the year ended 31 January 2025

10 Staff costs	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Wages and salaries	2,959,594	213,405	3,172,999	2,939,418
Social security costs	264,741	21,044	285,785	277,809
Pension costs - Defined contribution schemes	216,482	18,348	234,830	219,093
	<u>3,440,817</u>	<u>252,797</u>	<u>3,693,614</u>	<u>3,436,320</u>

Average number of employees during the period:

83 (72 FTE)

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

£60,000 - £69,999	2
£70,000 - £79,999	2
£80,000 - £89,999	1
£120,000 - £120,999	1

The College considers its key management personnel to be the Office Bearers and Chief Executive Officer. The total employment benefits of the key management personnel were **£151,001** (2024: £146,500). This included pension contribution costs of **£15,609** (2024: £14,973).

The value of pension contributions to be paid to the defined contribution pension scheme at the year end was **£31,391** (£2024 £27,123).

Included within salary costs are **£41,402** (2024: £8,806) of settlement payments made during the year to members of staff who left during the year.

11a Tangible fixed assets

	Heritable property £	Computers and other equipment £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
1 February 2024	6,000,000	1,309,002	169,990	138,939	7,617,931
Additions	-	240,082	17,460	4,373	261,915
Disposals	-	(32,911)	-	-	(32,911)
Revaluation	1,350,000	-	-	-	1,350,000
31 January 2025	<u>7,350,000</u>	<u>1,516,173</u>	<u>187,450</u>	<u>143,312</u>	<u>9,196,935</u>
Accumulated depreciation					
1 February 2024	-	946,849	167,941	95,266	1,210,056
Charge for the year	-	82,901	2,654	8,886	94,441
Disposals	-	(30,952)	-	-	(30,952)
31 January 2025	<u>-</u>	<u>998,798</u>	<u>170,595</u>	<u>104,152</u>	<u>1,273,545</u>
Net book value at 31 January 2025	<u>7,350,000</u>	<u>517,375</u>	<u>16,855</u>	<u>39,160</u>	<u>7,923,390</u>
<i>Net book value at 31 January 2024</i>	<u>6,000,000</u>	<u>362,154</u>	<u>2,049</u>	<u>43,672</u>	<u>6,407,875</u>

The heritable property of the College was revalued by Graham and Sibbald, Chartered Surveyors, on the 31st January 2025. They assessed the market value with vacant possession to be £7,350,000. The valuation was carried out in line with IFRS 13 and guidelines issued by the Royal Institute of Chartered Surveyors. The depreciated historic cost of heritable property as at 31 January 2025 was **£3,815,325** (2024: £3,815,325). The Board of Trustees consider that the carrying value at 31 January 2025 represents the fair value at the year end.

Notes to the Accounts (continued)

for the year ended 31 January 2025

11b Intangible fixed assets

	Website £
Cost or valuation	
1 February 2024	-
Additions	159,606
Disposals	-
31 January 2025	<u>159,606</u>
Accumulated amortisation	
1 February 2024	-
Charge for the year	-
Disposals	-
31 January 2025	<u>-</u>
Net book value at 31 January 2025	<u>159,606</u>

Net book value at 31 January 2024 -

During the year, the College developed a new website, making it easier to navigate, apply for membership, book educational events, purchase items from the online shop and also ensuring suitability for mobile devices.

The new website went live close to the end of the financial year and so no amortisation has been charged in this financial year.

11c Further information on the College collection of heritage assets

Library and Museum collection

The Library and Museum collection, which comprises approximately 70,000 medical books, objects 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 & Heritage 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, objects 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.

Preservation

Expenditure which, in the view of the Charity Trustees, is required to preserve or prevent further deterioration of the Library and Museum collection is recognised in the Statement of Financial Activities when it is incurred. The Library and Museum 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 for sculptures, busts and other artefacts. Heritage staff are charged with ensuring that items are maintained and preserved

Notes to the Accounts (continued)
for the year ended 31 January 2025

12 a Investments	Unrestricted £	Endowment £	Total £
<i>Opening portfolio valuation at 1 February 2024</i>	1,080,000	10,551,756	11,631,756
<i>Less: Investment cash balance at 1 February 2024 (see note 19)</i>	7,726	75,485	83,211
Opening market value at 1 February 2024	1,072,274	10,476,271	11,548,545
Opening adjustment	1,042	(1,042)	-
Additions at cost	169,252	1,653,614	1,822,866
Disposals proceeds	(145,832)	(1,925,879)	(2,071,711)
Net gains during year	97,609	953,659	1,051,268
Closing market value at 31 January 2025	1,194,345	11,156,623	12,350,968
Investment cash balance	29,872	291,850	321,722
Closing portfolio valuation at 31 January 2025	1,224,217	11,448,473	12,672,690
<i>Historical cost at year end</i>	973,905	9,515,192	10,489,097
Debt and Fixed interest	225,346	2,105,008	2,330,354
UK equities	265,067	2,476,046	2,741,113
Investments and unit trusts	94,880	886,293	981,173
Overseas	609,052	5,689,276	6,298,328
Cash	29,872	291,850	321,722
	1,224,217	11,448,473	12,672,690

The investments of the College are held as part of a portfolio managed by Quilter Cheviot Ltd. Value is attributed to individual unrestricted and endowment funds on a unitisation basis. At 31 January 2025, the largest percentage holding was 2.95% of the total value of the College Portfolio which was invested in Microsoft Corporation.

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 or trading restrictions.

12 b Other investments - Federation of Royal Colleges of Physicians	2025 £	2024 £
At 1 February 2024	-	78,760
Transferred to current assets	-	(78,760)
At 31 January 2025	-	-

During 2020-21, the College contributed additional funding to Federation to help support operations during COVID-19. These funds were released to current assets in 2023-24.

Notes to the Accounts (continued)
for the year ended 31 January 2025

13 Debtors	2025 £	2024 £
Subscriptions and fees	239,014	150,501
Educational fee and grant debtors	639,605	851,645
Accrued income	880,148	511,376
Sundry debtors	12,145	27,994
Prepayments	319,618	289,680
VAT and tax debtor	12,900	4,155
	2,103,430	1,835,351

14 Creditors: amounts falling due within one year	2025 £	2024 £
Trade creditors	179,269	237,590
Other creditors and accruals	886,983	965,836
Social security and other taxation payable	92,478	78,252
Deferred income	3,075,655	2,743,758
	4,234,385	4,025,436

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 its administrative services. The balance of funds held by the College at the year end of **£19,683** is accounted for within creditors (2024: £16,813). The College also acts as custodian of funds for its Senior Fellows' Club. The year end balance of **£12,067** (2024: £15,956) 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 2024 £	Utilised in year £	Received & deferred to 2025/26 £	Received & deferred to future years £	Carried forward 31 Jan 2025 £
Subscriptions	1,266,264	(1,266,264)	1,293,327	31,677	1,325,004
Events planned	504,498	(504,498)	543,196	70,501	613,697
Education income	433,135	(433,135)	254,280	245,370	499,650
Exam income	821,607	(821,607)	965,820	-	965,820
Other income	3,409	(3,409)	3,476	-	3,476
	3,028,913	(3,028,913)	3,060,099	347,548	3,407,647

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	2025 £	2024 £
Deferred income	347,548	285,155
	347,548	285,155

16 Contracts and commitments – operating leases	2025 £	2024 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Amounts due within 1 year	36,565	56,525
Amounts due between 2 to 5 years	81,562	112,156
Amounts due more than 5 years	-	-
	118,127	168,681

During the year lease payments of **£56,950** (2024: £59,139) were recognised as an expense to the College.

Notes to the Accounts (continued)

for the year ended 31 January 2025

17	Analysis of College net assets by fund in the current year (2025)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2025 £
	Unrestricted funds	8,082,996	1,224,217	2,381,426	(347,548)	11,341,091
	Endowment funds	-	11,448,472	-	-	11,448,472
	Restricted funds	-	-	2,138,653	-	2,138,653
		8,082,996	12,672,689	4,520,079	(347,548)	24,928,216

Unrestricted funds, which include designated funds, are available for the charity trustees to use 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 £3,867,006 at 31 January 2025, 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 **£3,534,675** (2024: £2,184,675) in relation to the College's heritable property as set out in note 11. Unrestricted funds excluding the revaluation reserve **total £7,247,469** (2024: £7,681,966).

	Analysis of College net assets by fund in the previous year (2024)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2024 £
	Unrestricted funds	6,407,875	1,080,000	2,663,921	(285,155)	9,866,641
	Endowment funds	-	10,551,756	-	-	10,551,756
	Restricted funds	-	-	1,850,481	-	1,850,481
		6,407,875	11,631,756	4,514,402	(285,155)	22,268,878

17a	Designated funds: movements in the current year (2025)	Balance at 31 Jan 2024 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 Jan 2025 £
	Strategic Planning Fund	513,401	8,677	(1,477)	-	11,292	531,893
	Fabric Fund	177,768	2,270	(182)	-	-	179,856
	Innovation and Development Fund	714,028	9,117	(68,432)	231,565	-	886,278
	Education Fund	657,469	10,520	(15,412)	36,491	11,311	700,379
	Prizes and Awards Fund	69,216	884	(2,500)	11,500	-	79,100
	Digital Development Fund	246,683	3,149	(253)	-	-	249,579
		2,378,565	34,617	(88,256)	279,556	22,603	2,627,085

Investments held as part of the Strategic Planning and Education Funds form part of the College's investment portfolio, managed by Quilter Cheviot 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 College has chosen to designate these funds as follows:

Strategic Planning Fund - These funds are to support the business resilience strategy of the College, including federated activity, such as supporting the Federation IT development.

Fabric Fund - to fund the development and reorganisation of the building and College Infrastructure.

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

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

Prizes and Awards Fund - To benefit Fellows and Members by providing a range of prizes and awards for excellence.

Digital Development Fund - Supporting the Colleges digital transformation projects and educational lectures with a digital content.

Designated funds: movements in the previous year (2024)	Balance at 31 Jan 2023 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 Jan 2024 £
Strategic Planning Fund	503,916	7,255	(633)	(375)	3,238	513,401
Fabric Fund	175,946	1,822	-	-	-	177,768
Innovation and Development Fund	586,576	6,074	(95,382)	216,760	-	714,028
Education Fund	214,593	4,264	(4,282)	439,650	3,244	657,469
Prizes and Awards Fund	49,454	512	(750)	20,000	-	69,216
Digital Development Fund	244,155	2,528	-	-	-	246,683
	1,774,640	22,455	(101,047)	676,035	6,482	2,378,565

Notes to the Accounts (continued)
for the year ended 31 January 2025

17b Endowment funds: movements in current year (2025)	Balance at 31 January 2024 £	Income £	Expenditure £	Transfers to/(from) Restricted funds £	Investment gains/(losses) £	Balance at 31 January 2025 £
Permanent endowments						
W A Alexander Bequest	21,709	-	(117)	-	1,962	23,554
Freeland Barbour Fellowship	33,235	-	(179)	-	3,004	36,060
Alexander Black Bequest	6,024	-	(33)	-	544	6,535
John Hamilton Brown Bequest	122,284	-	(660)	-	11,052	132,676
Sir James Cameron Bequest	10,737	-	(58)	-	970	11,649
Clouston Memorial Trust	3,724	-	(20)	-	336	4,040
Ghulam Mohi-Ud Din Trust	2,923	-	(16)	-	264	3,171
George A Gibson Lectureship	819	-	(4)	-	74	889
Verona Gow Bequest	107,632	-	(581)	-	9,728	116,779
Mohamed Haniffa Hamza Bequest	1,883	-	(10)	-	170	2,043
Jessie MacGregor Prize	8,933	-	(48)	-	807	9,692
James MacKenzie Medal	1,664	-	(9)	-	150	1,805
Alexander Morison Fund	566	-	(3)	-	51	614
Stelios Nicolaides Fund	1,232	-	(7)	-	111	1,336
Hill Pattison-Struthers Bursaries	18,125	-	(98)	-	1,638	19,665
Robert Philip Memorial Lectureship	66,184	-	(357)	-	5,982	71,809
HRH Richards Bequest	7,390	-	(40)	-	668	8,018
Miss Janet Reid Trust	52,558	-	(284)	-	4,750	57,024
Catherine Wedderburn Rintoul Fund	72,961	-	(394)	-	6,594	79,161
Russell Bequest	1,090,911	-	(5,887)	-	98,596	1,183,620
John Matheson Shaw Bequest	16,900	-	(91)	-	1,527	18,336
Myre Sim Bequest	1,306,934	-	(7,053)	-	118,120	1,418,001
JMAS Sim Fellowship	4,494,322	-	(24,253)	-	406,193	4,876,262
Sydney Watson Smith Bequest	247,453	-	(1,335)	-	22,365	268,483
Peter Morrison Tolmie Bequest	25,695	-	(139)	-	2,322	27,878
Watson Lecture	1,354	-	(7)	-	122	1,469
Wood Bursary	22,403	-	(121)	-	2,025	24,307
	<u>7,746,555</u>	-	<u>(41,804)</u>	-	<u>700,125</u>	<u>8,404,876</u>
Expendable endowments						
Bryan Ashworth Bequest	496,694	-	(2,680)	-	44,891	538,905
Ambuj Nath Bose Bequest	638	-	(3)	-	58	693
William Cullen Prize	11,600	-	(63)	-	1,048	12,585
Stanley Davidson Trust	545,320	-	(2,943)	-	49,286	591,663
Education & Research Trust	544,113	-	(2,936)	-	49,176	590,353
Joan Ferguson Bequest	210,568	-	(1,136)	-	19,031	228,463
Marion B M Lindsay Bequest	64,983	-	(351)	-	5,873	70,505
Lister Fellowship	25,340	-	(137)	-	2,290	27,493
Charles McNeil Lectureship	17,604	-	(95)	-	1,591	19,100
Alexander Morison Lectureship	4,039	-	(22)	-	365	4,382
Marjorie Robertson Trust	884,302	-	(4,772)	-	79,925	959,455
	<u>10,551,756</u>	-	<u>(56,942)</u>	-	<u>953,659</u>	<u>11,448,474</u>

Investments held by each trust or fund are pooled so as to form part of the College's investment portfolio, managed by Quilter Cheviot 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 2025

17b <i>Endowment funds: movements in previous year (2024)</i>	<i>Balance at 31 January 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers to/(from) Restricted funds</i>	<i>Investment gains/(losses)</i>	<i>Balance at 31 January 2024</i>
	£	£	£	£	£	£
<i>Permanent endowments</i>						
<i>W A Alexander Bequest</i>	21,219	-	(72)	-	562	21,709
<i>Freeland Barbour Fellowship</i>	32,485	-	(111)	-	861	33,235
<i>Alexander Black Bequest</i>	5,888	-	(20)	-	156	6,024
<i>John Hamilton Brown Bequest</i>	119,522	-	(407)	-	3,169	122,284
<i>Sir James Cameron Bequest</i>	10,494	-	(35)	-	278	10,737
<i>Clouston Memorial Trust</i>	3,639	-	(11)	-	96	3,724
<i>Ghulam Mohi-Ud Din Trust</i>	2,857	-	(10)	-	76	2,923
<i>George A Gibson Lectureship</i>	800	-	(2)	-	21	819
<i>Verona Gow Bequest</i>	105,201	-	(359)	-	2,790	107,632
<i>Mohamed Haniffa Hamza Bequest</i>	1,841	-	(7)	-	49	1,883
<i>Jessie MacGregor Prize</i>	8,731	-	(30)	-	232	8,933
<i>James MacKenzie Medal</i>	1,627	-	(6)	-	43	1,664
<i>Alexander Morison Fund</i>	553	-	(2)	-	15	566
<i>Stelios Nicolaides Fund</i>	1,204	-	(4)	-	32	1,232
<i>Hill Pattison-Struthers Bursaries</i>	17,716	-	(61)	-	470	18,125
<i>Robert Philip Memorial Lectureship</i>	64,689	-	(220)	-	1,715	66,184
<i>HRH Richards Bequest</i>	7,223	-	(25)	-	192	7,390
<i>Miss Janet Reid Trust</i>	51,371	-	(175)	-	1,362	52,558
<i>Catherine Wedderburn Rintoul Fund</i>	71,313	-	(243)	-	1,891	72,961
<i>Russell Bequest</i>	1,066,269	-	(3,632)	-	28,274	1,090,911
<i>John Matheson Shaw Bequest</i>	16,518	-	(56)	-	438	16,900
<i>Myre Sim Bequest</i>	1,277,413	-	(4,351)	-	33,872	1,306,934
<i>JMAS Sim Fellowship</i>	4,392,803	-	(14,963)	-	116,482	4,494,322
<i>Sydney Watson Smith Bequest</i>	241,863	-	(823)	-	6,413	247,453
<i>Peter Morrison Tolmie Bequest</i>	25,114	-	(85)	-	666	25,695
<i>Watson Lecture</i>	1,323	-	(4)	-	35	1,354
<i>Wood Bursary</i>	21,899	-	(75)	-	579	22,403
	7,571,575	-	(25,789)	-	200,769	7,746,555
<i>Expendable endowments</i>						
<i>Bryan Ashworth Bequest</i>	485,474	-	(1,654)	-	12,874	496,694
<i>Ambuj Nath Bose Bequest</i>	624	-	(3)	-	17	638
<i>William Cullen Prize</i>	11,338	-	(39)	-	301	11,600
<i>Stanley Davidson Trust</i>	533,002	-	(1,815)	-	14,133	545,320
<i>Education & Research Trust</i>	531,823	-	(1,812)	-	14,102	544,113
<i>Joan Ferguson Bequest</i>	205,812	-	(701)	-	5,457	210,568
<i>Marion B M Lindsay Bequest</i>	63,515	-	(216)	-	1,684	64,983
<i>Lister Fellowship</i>	24,768	-	(85)	-	657	25,340
<i>Charles McNeil Lectureship</i>	17,206	-	(58)	-	456	17,604
<i>Alexander Morison Lectureship</i>	3,947	-	(13)	-	105	4,039
<i>Marjorie Robertson Trust</i>	864,327	-	(2,945)	-	22,920	884,302
	10,313,411	-	(35,130)	-	273,475	10,551,756

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.

Joyce Grainger Fund - funding the development of a new education centre and production of video training materials and resources for International Medical Graduates.

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.

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

MTI Placements Scotland - to assist the College in placing 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 - Scottish Government 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 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 2025

17c Restricted funds: movements in current year (2025)	31 January 2024	Income	Expenditure	Transfers	31 January 2025
	£	£	£	£	£
Held as part of the College bank & cash balances					
EBM Training Materials	7,515	94	-	-	7,609
SCLF Grant	10,109	-	(10,109)	-	-
ePortfolio for Revalidation	5,269	66	-	-	5,335
Guidance on Adolescent Medicine	17,963	224	-	-	18,187
Disaster Recovery Kits	(73)	-	73	-	-
Health and Wellbeing Fund	1,003	13	-	-	1,016
Intensive Support Programme	1,548	19	-	-	1,567
Joyce Grainger Fund	-	97,190	(97,190)	-	-
Leo McCarthy History of Medicine Award	1,273	16	-	-	1,289
HP Andrew Douglas	354,798	4,423	-	-	359,221
THET Project	-	40,460	(40,460)	-	-
MTI Placements	20,015	250	-	-	20,265
MTI Placements Scotland	7,244	90	-	-	7,334
Paley Stamp Collection	1,279	16	-	-	1,295
Pilot National Audits in Epilepsy and CAP	10,626	132	-	-	10,758
Scottish Academy: External Adviser Project	35,532	98,868	(93,465)	-	40,935
SIGA	1,200	15	-	-	1,215
SHAAP	15,537	253,764	(232,931)	-	36,370
Sibbald Library Restricted Fund	47,163	53,913	(9,890)	-	91,186
SPARS	4,549	57	-	-	4,606
TARGET	116	1	-	-	117
Wellcome Digitisation project	42	-	(42)	-	-
Wellcome Ballantyne Cataloguer	5,871	-	(5,871)	-	-
Wolfson Fund	1,980	-	(1,980)	-	-
Zambia Fund	853	11	-	-	864
	551,412	549,622	(491,865)	-	609,169
Held as part of the College portfolio					
Permanent endowments					
W A Alexander Bequest	2,345	682	(2,022)	-	1,005
Freeland Barbour Fellowship	7,924	1,111	(34)	-	9,001
Alexander Black Bequest	2,375	215	(6)	-	2,584
John Hamilton Brown Bequest	50,034	4,409	(126)	(402)	53,915
Sir James Cameron Bequest	2,829	363	(300)	-	2,892
Clouston Memorial Trust	2,519	150	(4)	-	2,665
Ghulam Mohi-Ud Din Trust	2,677	128	(3)	-	2,802
George A Gibson Lectureship	291	29	(1)	-	319
Verona Gow Bequest	27,352	3,624	(111)	(326)	30,539
Mohamed Haniffa Hamza Bequest	908	70	(2)	-	976
Jessie MacGregor Prize	6,581	367	(9)	-	6,939
James MacKenzie Medal	1,423	71	(2)	-	1,492
Alexander Morison Fund	2,230	51	(1)	-	2,280
Stelios Nicolaidis Fund	1,771	64	(1)	-	1,834
Hill Pattison-Struthers Bursaries	9,291	682	(19)	-	9,954
Robert Philip Memorial Lectureship	14,679	2,195	(68)	(197)	16,609
HRH Richards Bequest	1,502	243	(8)	-	1,737
Miss Janet Reid Trust	16,392	1,816	(54)	(164)	17,990
Catherine Wedderburn Rintoul Fund	4,704	2,243	(75)	(199)	6,673
The Helen Russell Bequest	85,421	33,776	(1,123)	(2,999)	115,075
John Matheson Shaw Bequest	7,231	614	(17)	-	7,828
Myre Sim Bequest	176,342	41,604	(29,640)	(3,722)	184,584
JMAS Sim Fellowship	415,871	140,134	(4,625)	(12,409)	538,971
Sydney Watson Smith Bequest	73,444	8,494	(4,140)	(767)	77,031
Peter Morrison Tolmie Bequest	12,327	954	(26)	-	13,255
Watson Lecture	1,428	62	(1)	-	1,489
Wood Bursary	7,159	777	(23)	-	7,913
	937,050	244,928	(42,441)	(21,185)	1,118,352
Expendable endowments					
Bryan Ashworth Bequest	28,849	15,224	(16,097)	(1,344)	26,632
Ambuj Nath Bose Bequest	864	32	(1)	-	895
William Cullen Prize	3,544	400	(183)	-	3,761
Stanley Davidson Trust	113,250	17,970	(2,750)	(1,609)	126,861
Education & Research Trust	64,557	17,184	(5,977)	(1,525)	74,240
Joan Ferguson Bequest	6,107	6,360	(6,217)	(561)	5,689
Marion B M Lindsay Bequest	12,689	2,129	(67)	(190)	14,561
Lister Fellowship	13,558	963	(26)	-	14,495
Charles McNeil Lectureship	9,549	671	(18)	-	10,202
Alexander Morison Lectureship	4,213	185	(4)	-	4,394
Isabella Kirk Duncanson Trust	14,682	226	-	-	14,908
Marjorie Robertson Trust	90,157	27,701	(910)	(2,454)	114,494
	362,019	89,045	(32,250)	(7,683)	411,131
Total Restricted funds	1,850,481	883,595	(566,556)	(28,868)	2,138,652

Notes to the Accounts (continued)
for the year ended 31 January 2025

17c	Restricted funds: movements in the previous year (2024)	31 January 2023 £	Income £	Expenditure £	Transfers £	31 January 2024 £
	<i>Held as part of the College bank & cash balances</i>					
	EBM Training Materials	7,515	-	-	-	7,515
	SCLF Grant	32,775	-	(22,666)	-	10,109
	ePortfolio for Revalidation	5,269	-	-	-	5,269
	Guidance on Adolescent Medicine	17,963	-	-	-	17,963
	Disaster Recovery Kits	(73)	-	-	-	(73)
	Health and Wellbeing Fund	1,003	-	-	-	1,003
	Intensive Support Programme	1,548	-	-	-	1,548
	Leo McCarthy History of Medicine Award	1,273	-	-	-	1,273
	HP Andrew Douglas	354,798	-	-	-	354,798
	MTI Placements	20,015	-	-	-	20,015
	MTI Placements Scotland	7,244	-	-	-	7,244
	Paley Stamp Collection	1,279	-	-	-	1,279
	Pilot National Audits in Epilepsy and CAP	10,626	-	-	-	10,626
	Scottish Academy: External Adviser Project	43,822	95,525	(103,815)	-	35,532
	SIGA	1,200	-	-	-	1,200
	SHAAP	57,197	250,287	(291,947)	-	15,537
	Sibbald Library Restricted Fund	42,923	21,380	(17,140)	-	47,163
	SPARS	4,549	-	-	-	4,549
	TARGET	116	-	-	-	116
	Wellcome Digitisation project	42	-	-	-	42
	Wellcome Ballantyne Cataloguer	5,871	-	-	-	5,871
	Wolfson Fund	1,980	-	-	-	1,980
	Zambia Fund	853	-	-	-	853
	Held as part of the College portfolio	619,788	367,192	(435,568)	-	551,412
	<i>Permanent endowments</i>					
	W A Alexander Bequest	1,732	603	10	-	2,345
	Freeland Barbour Fellowship	6,986	996	(58)	-	7,924
	Alexander Black Bequest	2,189	196	(10)	-	2,375
	John Hamilton Brown Bequest	46,569	4,015	(212)	(338)	50,034
	Sir James Cameron Bequest	2,521	326	(18)	-	2,829
	Clouston Memorial Trust	2,387	139	(7)	-	2,519
	Ghulam Mohi-Ud Din Trust	2,562	120	(5)	-	2,677
	George A Gibson Lectureship	266	26	(1)	-	291
	Verona Gow Bequest	24,577	3,258	(187)	(296)	27,352
	Mohamed Haniffa Hamza Bequest	847	64	(3)	-	908
	Jessie MacGregor Prize	6,255	341	(15)	-	6,581
	James MacKenzie Medal	1,359	67	(3)	-	1,423
	Alexander Morison Fund	2,180	52	(2)	-	2,230
	Stelios Nicolaides Fund	1,712	61	(2)	-	1,771
	Hill Pattison-Struthers Bursaries	8,697	625	(31)	-	9,291
	Robert Philip Memorial Lectureship	13,008	1,968	(115)	(182)	14,679
	HRH Richards Bequest	1,298	217	(13)	-	1,502
	Miss Janet Reid Trust	14,987	1,641	(91)	(145)	16,392
	Catherine Wedderburn Rintoul Fund	3,568	1,988	(652)	(200)	4,704
	The Helen Russell Bequest	68,812	29,988	(10,399)	(2,980)	85,421
	John Matheson Shaw Bequest	6,701	559	(29)	-	7,231
	Myre Sim Bequest	159,283	37,219	(16,584)	(3,576)	176,342
	JMAS Sim Fellowship	315,998	124,091	(11,921)	(12,297)	415,871
	Sydney Watson Smith Bequest	67,054	7,668	(597)	(681)	73,444
	Peter Morrison Tolmie Bequest	11,499	873	(45)	-	12,327
	Watson Lecture	1,372	59	(3)	-	1,428
	Wood Bursary	6,498	700	(39)	-	7,159
	Expendable endowments	780,917	217,860	(41,032)	(20,695)	937,050
	Bryan Ashworth Bequest	18,511	13,437	(1,744)	(1,355)	28,849
	Ambuj Nath Bose Bequest	834	31	(1)	-	864
	William Cullen Prize	3,347	363	(166)	-	3,544
	Stanley Davidson Trust	99,607	16,087	(949)	(1,495)	113,250
	Education & Research Trust	51,743	15,250	(948)	(1,488)	64,557
	Joan Ferguson Bequest	2,724	5,611	(1,653)	(575)	6,107
	Marion B M Lindsay Bequest	11,076	1,904	(113)	(178)	12,689
	Lister Fellowship	12,719	884	(45)	-	13,558
	Charles McNeil Lectureship	8,964	616	(31)	-	9,549
	Alexander Morison Lectureship	4,046	175	(8)	-	4,213
	Isabella Kirk Duncanson Trust	17,515	295	(3,128)	-	14,682
	Marjorie Robertson Trust	69,572	24,541	(1,540)	(2,416)	90,157
	Total Restricted funds	1,701,363	664,246	(486,926)	(28,202)	1,850,481

Notes to the Accounts (continued)

for the year ended 31 January 2025

17d Transfers between funds

Designated funds

During the period £231,565 (2024: £255,609) was transferred 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.

A bequest of £35,491 (2024: £440,000) was transferred to the Education Fund, which is used to fund Education initiatives. £11,500 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 (2024: £20,000).

An inter-fund charge of £41,970 (2024: £39,574) 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 around 10% of annual revenue. Furthermore, a charge of 10% of annual revenue generated by designated funds in the year ended 31 January 2025 was made and allocated in proportion to the value of investments held by each trust or fund.

Restricted funds

An inter-fund charge of £28,867 (2024: £28,201) 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 2025 and was allocated in proportion to the value of investments held by each trust or

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

	2025 £	2024 £
Net income for the reporting period	1,309,339	421,956
Depreciation charges	94,441	84,617
Loss on disposal of fixed assets	1,959	-
(Gains) on investments	(1,051,268)	(301,466)
Transfer of Federation Investment to net current assets	-	78,760
Dividends, interest and rents from investments	(403,780)	(349,542)
Decrease/(Increase) in stocks	4,714	(5,270)
(Increase) in debtors	(268,079)	(22,689)
Increase in creditors	271,342	54,331
Net cash used in operating activities	(41,332)	(39,303)

19 Analysis of cash and cash equivalents

Changes in net funds	31 January 2025 £	Cash flows £	1 February 2024 £
Cash in hand	6,629,356	(48,739)	6,678,095
Cash held as part of investment portfolio	321,722	238,511	83,211
	6,951,078	189,772	6,761,306

20 Contingent liabilities

MRCPUK Examinations

After the end of the financial year, the Federation of the Royal Colleges of Physicians discovered that 283 candidates received wrong results for the September 2023 Part 2 written MRCPUK examination. It's possible that some of those affected may take legal action although no claims have been received so far. Federation has liability insurances which provide cover for incidents such as this although the extent of cover will depend on the nature and amount of any future claims. The value of any additional liability is not quantifiable at this time.

Notes to the Accounts (continued)
for the year ended 31 January 2025

20 Contingent liabilities (continued from previous page)

Overseas Taxes

The Federation of the Royal Colleges of Physicians has a potential historic tax liability due to the Indian authorities under their goods and services tax (GST) regime. Federation is consulting with tax specialists on the likely amount, if any, that is due. This College would be liable for a share of any liability agreed with the Indian tax authorities and we are working together with Federation, the Royal College of Physicians and Surgeons of Glasgow, and the Royal College of Physicians of London, to determine the amounts involved. The value of any additional liability for the College is not quantifiable at this time. There may also be other countries with similar tax arrangements under which Federation has a potential liability, again, this is not quantifiable at this time.

The College may also have a historic liability for Indian GST and under tax regimes in other overseas countries. The College is investigating this and consulting with other Royal Colleges on their experiences. The value of any additional liability for the College is not quantifiable at this time.

21 Related parties

No Trustee received any remuneration or benefits during the year. Reimbursement of travel expenses to 23 (2024: 17) Council Members amounted to £17,173 (2024: £11,354). During the financial year Dr Frank Armstrong was a member of the Court of the University of Edinburgh. In the year, the College had income from the University of £386,305 and expenditure of £213,669. These transactions were for the MSc courses that the University runs, which the College helped develop and continues to support. At 31 January 2025 a balance of £382,426 was due from the University.

No other 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 (2024: £Nil).

During the year the College had transactions totalling £153,545 with the Federation of Royal Colleges of Physicians. The transactions comprised training fees due from the College to Federation. At 31 January 2025 a balance of £18,404 was due to Federation.

The Federation of the Royal Colleges of Physicians is a collaboration between the Royal College of Physicians of Edinburgh, the Royal College of Physicians and Surgeons of Glasgow, and the Royal College of Physicians of London, and is a working arrangement with a Memorandum of Understanding (MoU). The MoU entitles RCPE to a 1/3rd share of fixed assets and a 21% share of operations. Federation generated a distributable surplus of

	Federation	RCPE		RCPE
	2025	share	Federation	share
	£	2025	2024	2024
		£	£	£
Income	19,680,980	4,133,006	17,485,834	3,672,025
Expenditure	12,189,862	2,559,871	11,894,822	2,497,912
Surplus for distribution	<u>7,491,118</u>	<u>1,573,135</u>	<u>5,591,012</u>	<u>1,174,113</u>

Included within RCPE's balance sheet are the following assets and liabilities relating to Federation

	2025	2024
	£	£
Fixed assets	414,374	273,949
Debtors	228,078	199,765
Cash	1,071,263	1,053,003
Creditors	<u>(1,185,035)</u>	<u>(1,037,925)</u>

Amounts due by RCPE to Federation at the year end and included within other creditors is £76,552 (2024: £196,905).

22 Financial instruments

	2025	2024
	£	£
Assets measured at fair value through the Statement of Financial Activities	12,672,690	11,631,756
	<u>12,672,690</u>	<u>11,631,756</u>

Assets measured at fair value through the Statement of Financial Activities comprise investments.
See note 12a.