

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
Registered Charity Number: SC000847
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CHARITY INFORMATION

Charity registration number	SC000847
Registered office	232 – 242 St Vincent Street Glasgow G2 5RJ
Independent auditor	Azets Audit Services Chartered Accountants 25 Bothwell Street Glasgow G2 6NL
Bankers	Santander 301 St. Vincent Street Glasgow G2 5NB
Solicitors	Burness Paul LLP Aurora Building 120 Bothwell Street G2 7JL
Investment Managers	Rathbone Brothers Plc George House 50 George Square Glasgow G2 1EH

MEMBERS OF COUNCIL

Trustees

Dr J Taylor FRCP(Glasg)	President	
Mrs A Lannigan FRCS(Glasg)	Vice President (Surgical)	
Mr A Henry FRCSGlasg(Tr & Orth)	Vice President (Surgical)	to Dec 2019
Prof A Rane FRCSGlasg(Urol)	Vice President (Surgical)	from Dec 2019
Dr H Eteiba FRCP(Glasg)	Vice President (Medical)	
Prof H Scott FRCP(Glasg)	Vice President (Medical)	to Dec 2019
Prof A Stanley FRCP(Glasg)	Vice President (Medical)	from Dec 2019
Prof G Ogden FDS RCPS(Glasg)	Vice President (Dental)	to Nov 2019
Dr A Edwards FDS RCPS(Glasg)	Vice President (Dental)	from Nov 2019
Dr R Madhok FRCP(Glasg)	Honorary Treasurer	
Dr R Hull FRCP(Glasg)	Honorary Secretary	
Dr M McElroy FRCP(Glasg)	Honorary Librarian	
Dr R Neilson FRCP(Glasg)	Registrar	
Prof R Ashford FFPM RCPS(Glasg)	Dean of the Faculty of Podiatric Medicine	to June 2020
Mrs C Skinner FFPM RCPS(Glasg)	Dean of the Faculty of Podiatric Medicine	From June 2020
Mrs J Chiodini FFPM RCPS(Glasg)	Dean of the Faculty of Travel Medicine	
Mr A Edwards FDS RCPS(Glasg)	Dean of the Faculty of Dental Surgery	to Nov 2019
Dr A Forgie FDS RCPS(Glasg)	Honorary Secretary, Faculty of Dental Surgery	From Nov 2019
Dr S Hood FRCP(Glasg)	Ordinary Councillor	to Dec 2019
Dr B Murphy FRCP(Glasg)	Ordinary Councillor	to Dec 2019
Dr G Tait FRCP(Glasg)	Ordinary Councillor	
Dr M Oo FRCP(Glasg)	Ordinary Councillor	
Dr A Laws MRCP(Glasg)	Ordinary Councillor	
Mr J Hannay FRCS(Glasg)	Ordinary Councillor	
Mr S Mannion FRCS(Glasg)	Ordinary Councillor	
Mr D Mansbridge FRCS(Glasg)	Ordinary Councillor	
Prof C Mackay FRCS(Glasg)	Ordinary Councillor	
Mr R Anderson MRCS(Glasg)	Ordinary Councillor	
Prof A Gallagher FRCP(Glasg)	Ordinary Councillor	from Dec 2019
Prof M Walters FRCP(Glasg)	Ordinary Councillor	from Dec 2019

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CHARITY INFORMATION

MEMBERS OF COUNCIL (continued)

Prof S Pringle FRCP(Glasg)	Regional Councillor	to Dec 2019
Mr J Camilleri-Brennan FRCS(Glasg)	Regional Councillor	
Dr A Naqvi FRCP(Glasg)	Regional Councillor	
Dr D Thorburn FRCP(Glasg)	Regional Councillor	to Dec 2019
Mr A Hon-Chi Leung FRCSGlasg(Tr&Orth)	Regional Councillor	
Prof A Rane FRCSGlasg(Urol)	Regional Councillor	to Dec 2019
Dr H Wilson FRCP(Glasg)	Regional Councillor	
Dr S McNally FRCSGlasg(GenSurg)	Regional Councillor	from Dec 2019

Non Trustees

Mr M Allison	Advisory Co-optee (Non Trustee)	
Dr E Crighton FRCP(Glasg)	Advisory Co-optee (Non Trustee)	
Mrs E Condie	Advisory Co-optee (Non Trustee)	
Mr M J McKirdy FRCS(Glasg)	Advisory Co-optee (Non Trustee)	
Ms M Chakrabarti MRCS(Glasg)	Advisory Co-optee (Non Trustee)	
Prof M Walters FRCP(Glasg)	Advisory Co-optee (Non Trustee)	to Dec 2019
Prof G McKay	Advisory Co-optee (Non Trustee)	from May 2020

Finance, Audit and Risk Committee

Mr M Allison	
Prof J Taylor	From Mar 2020
Dr Rajan Madhok FRCP(Glasg)	
Dr H Eteiba FRCP(Glasg)	
Dr S Graham (Non-Trustee)	
Prof C Mackay FRCS(Glasg)	
Mr D Mansbridge FRCS(Glasg)	
Ms L Metta (Non Trustee)	

College Senior Management Team

Dr S Graham (Non-Trustee)	Chief Executive Officer
Dr L Irvine (Non-Trustee)	Deputy CEO and Director of Membership and Engagement
Ms H Ferguson (Non-Trustee)	Finance Director (to Feb 2020)
Mr K Osborne (Non Trustee)	Finance Director (from Aug 2020)
Ms V Hogg (Non-Trustee)	Head of Examinations and Assessment (to Jan 2020)
Mrs F Winter (Non-Trustee)	Director of Education and Assessment
Dr E Mulcahy (Non-Trustee)	Head of Corporate Communications and Marketing
Mr I Grinbergs (Non-Trustee)	Head of ICT and Digital Transformation (from Feb 2020)

The Executive Board is comprised of the:

President	Registrar
Honorary Treasurer	Chief Executive Officer
Vice Presidents (Surgical)	Deputy CEO & Director of Membership and Engagement
Vice Presidents (Medical)	Finance Director
Vice President (Dental)	Director of Education and Assessment
Honorary Secretary	Head of Corporate Communications and Marketing
Dean of Faculty of Travel Medicine	Head of ICT and Digital Transformation
Dean of Faculty of Podiatric Medicine	

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

OBJECTIVES AND ACTIVITIES

The charitable purpose of the Royal College of Physicians and Surgeons of Glasgow ("the College") has remained unchanged throughout its 400+ year history – to achieve the best possible outcomes for patients through increasing the standard and assessment of healthcare and how it is provided.

In pursuit of our purpose, we want to be the "Go To" Royal College for healthcare professionals seeking education, assessment, support, and a voice that represents them. And to underline our ambition of being the professional membership organisation of choice, we refreshed our branding and imagery to reinforce who we are, what we stand for, and what we do across all channels of communication and engagement. Throughout 2019/20, we focussed our resources and delivery on three strategic objectives:

- To deliver an educational and assessment programme that responds to and meets the needs of our members and prospective members, enabling them to deliver the highest standards of care to their patients;
- To engage and connect with our members and prospective members to strengthen and add value to our mutually beneficial relationship; and
- To significantly raise our profile across healthcare, public and political domains as an influencer of change for the common good.

We also invested in re-affirming the values and behaviours that define us as an institution. Guided by our President's priorities of engagement, wellbeing, workforce and inclusivity, we developed, designed and refined our core messaging, and all our products and services (membership support, education, training and assessment) that support the professions. The outcome from all our positioning work has seen greater levels of membership engagement, retention and growth as well as strong uptake in our assessment and education activities. The difficult decisions we undertook at the start of the year on restructuring and focussing our staffing resources allowed us to achieve near break-even before depreciation and losses on investments.

In the last quarter of the financial year, from February 2020 onwards, we showed strong and decisive leadership in our response and reaction to the COVID-19 pandemic, which significantly impacted on the delivery of our products and services, and our ability to operate. Although deeply unsettling at the time, we sought to provide clarity and certainty for the healthcare professionals we support including early decisions on ceasing our educational and assessment delivery. We invested heavily in ICT infrastructure to rapidly move all of our staff and clinicians to safe and secure remote working. This also allowed us to continually engage and support our membership wherever they were in the world and whatever challenges they were facing from the multitude of issues arising from the pandemic.

Despite the financial impact of the pandemic on our operations, we have maintained a secure financial position, have accelerated our investments for the future in our digital transformation and are working to rebalance our resources to achieve a balanced fiscal position in 2021/22.

ACHIEVEMENT AND PERFORMANCE

The 2019/20 Financial year was a particularly strong year, with notable achievements across almost all our core College activities.

Membership and Engagement

Our Membership and Engagement Team has supported the delivery of our strategic priorities and our goal of becoming the 'Go To' Royal College in a number of ways including:

- Growing our global membership by **4.5%** including **1,463** new members (a 28% increase in new members compared to 2018/19). As a result, our total membership community is now **15,076** physicians, surgeons, dental surgeons, travel medicine and podiatric medicine specialists in more than 90 countries worldwide.
- Our overall membership retention rates sits at **93.8%**, with 96% retention in the UK, the highest levels we have achieved in the past 4 years despite the impact of the COVID-19 pandemic

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

- Our Membership Engagement Team worked closely with our networks of International Advisors, Regional Advisors and College Tutors across the UK to enhance our profile and better support junior doctors locally.
- **1,497** people attended our Heritage events programme, and we were actively involved in 19 collaborations with our Heritage, across health, academic and cultural sectors.
- Our exhibition 'Great Minds: the brain in medicine, surgery and psychiatry' helped us connect with our members and the public. This exhibition celebrated the pioneering work of Glasgow physicians and surgeons in this field, as well as reflecting on how our approaches to mental health and wellbeing have changed over the centuries.
- Improving the use of digital technology e.g. the information and self-service functionality of our member dashboard and the development of the new heritage website which now provides access to almost 1,500 items from our collections and showcasing our innovative Visualising Medical Heritage project.

Our key areas of focus in the coming 12 months are:

- Business continuity in the light of the COVID-19 pandemic and the closure of the College buildings.
- Transforming our business to collaborate and engage effectively with Fellows and Members across the world through digital platforms.
- Supporting the wellbeing of our volunteers and all our employees.
- Securing re-accreditation of our museum status.
- Ensuring our collections remain accessible digitally and engaging with members and the public through a variety of digital platforms from the website to podcasts.

Education and Assessment

Our **Education and Assessment** Unit was formed this year, combining the activities of the previous Education, Training and Professional Development Unit, and the Examinations and Assessment Unit. This recognises the synergies between these two core areas of our College activities, and the opportunities by considering these activities side by side.

Education activities that have supported the delivery of our strategic priorities and our goal of becoming the 'Go To' Royal College include:

- Delivering **173** conferences and courses across our five disciplines and non-clinical subject areas, attracting almost **6,000** delegates to the College.
- Continuing to deliver annual flagship conferences such as Medicine 24, Orthopaedics and Trauma, and Glasgow Gastro.
- Developing new non-clinical conferences appealing across disciplines, such as "Making Life Work Better" and "Human Factors".
- Establishing links with mandatory training programmes, such as the IMT2 and IST (Improving Medical/Surgical Training) programmes, delivering procedural skills days and surgical courses such as BaSiCs ('Basic Surgical Cadaveric Skills'), CCrISP ('Care of the Critically Ill Surgical Patient') to these cohorts of students.
- Improving our offering for exam preparation courses, both face-to-face and online. This included running the largest MRCS OSCE preparation course to date, expanding the MFDS online provision and developing a digital learning offering covering planned changes to the MRCP PACES exam.
- Developing our digital capabilities and using these to ensure our conferences are more inclusive, allowing international delegates and speakers to join these events. This included running our first College webinar (on the subject of COVID-19) at the end of March 2020, with almost 500 attendees joining us on the evening and thousands of digital downloads after the event.
- Bringing the International Diploma in Expedition and Wilderness Medicine into the Faculty of Travel Medicine, allowing diplomates of this postgraduate qualification to join the Faculty.
- Recognising the importance of our skilled faculty who deliver much of our education activity, by appointing a Director of the Academy of Clinical Educators, focussing on continuing development and networking for this group.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

Assessment activities that have supported the delivery of our strategic priorities and our goal of becoming the 'Go To' Royal College include:

- Providing **21** different high-quality examinations, both intercollegiately and in our own right, to almost **4,000** candidates across the world. Supported by **999** examiners on our panels, we created **555** new questions for future use, ensuring ongoing development of our papers. We have contributed to working groups across all our intercollegiate arrangements to constantly review and improve the relevance and reliability of examinations.
- Continuing to open new exam centres, including PACES (Tameside), MRCS Part A (Exeter and Luton) and FRCS (Erbil, Iraq and Chennai, India).
- Welcoming our largest cohort of Hong Kong trainees to the MFDS examination.
- Recruiting an assessment specialist for the first time, working with this individual to review the standard and reliability of the College FRCS Ophthalmology examinations.
- Establishing a team to oversee the delivery of six dental speciality fellowship exams, on behalf of the four surgical colleges of the UK and Ireland.
- Welcoming more than **70** examiners to our annual MRCP(UK) exam engagement day to discuss the development and delivery of this exam.

Key areas of focus in the coming 12 months include:

- Continuing to align educational events to appropriate national curricula/career journeys and providing high-quality exam preparation material for career-grade/membership exams.
- Having recently appointed a Director of Professional Education, to develop our non-clinical CPD programme, recognising the relevance of this across our entire membership.
- Working with examiners and educators, providing their valuable expertise to the College, to afford them additional chances for development and networking, and to expand our pool to include additional international Fellows and Members.
- Reviewing our offering of education in light of recent strides in online delivery as a result of COVID-19, reaching a wider audience and creating a CPD programme that works for clinicians in a time when they are busier than ever before.
- Continuing to harness the benefits and opportunities from online exams, where relevant, and continuing the recent progress and learning as a result of COVID-19.
- Developing our FRCS Ophthalmology community, increasing our offering of education and assessment to this important group.

VOLUNTEERING

The work of the membership and engagement team would not be possible without the tireless contributions of both our clinical and non-clinical volunteers. In total this amounted to an incredible **11,353** hours in 2019/20. A total of **1,901** examiner days were donated to the College during the year. This is broken down as follows:

Faculty	Examiner Days 2019/20	Examiner Days 2018/19	Examiner Days 2017/18
Dental	450	476	395
Medical	746	865	830
Pod Med	0	8	31
Surgical	705	788	553
Travel Med	0	54	17
Total	1,901	2,191	1,826

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

1599 Limited

2019/20 was a year of continued growth, building on the success of 2018/19, with turnover of **£378,589** (2019: £359,259), a gross profit of **£307,737** (2019: £273,251) and gross profit percentage of 81% (2019: 76%). The overall operating surplus before tax of **£47,710** (2019: £70,258) was eroded due to increases in staffing costs during the year.

1599 Limited, in line with the hospitality industry throughout the UK, cancelled all activity in March 2020. Since then, events and hospitality staff have in the main been either furloughed or redeployed to College activity. Expectations are low that there will be a meaningful and sustained recommencement of hospitality activity in 2020/21 and plans are being developed for new commercial activity which will commence prior to Christmas 2020.

The College remains committed to the long-term future of 1599 Limited.

Hope Foundation

In the financial year to 31 March 2020, **£30,971** of income from the HOPE Foundation was achieved through various fundraising activities and donations from Fellows and Members.

In generating this income, **£35,391** of expenditure was recorded. Included in this were awards as follows:

- Glasgow City Mission: £5,000
- Natasha Ngwira: £7,890
- King's College London: £5,000
- PAMIS: £5,000
- Teapot Trust: £8,500

Two further awards were made but were not recognised in FY20 expenditure as they will not be paid until FY21

- Dentaid: £7,950
- Eiger Music: £1,097

FINANCIAL REVIEW

The improved results for the year (before movement in investments) to 31 March 2020 reflect the work done in the preceding year to reduce the College's cost base, the continued growth in membership numbers, the associated increase in examination income and a focus on improving the margins generated from our education and training activities. The 9% increase in income and 10% reduction in expenditure has resulted in an 79% improvement in the bottom line with the consolidated deficit before movement in investments of £398K, a **£1.454M** improvement on the previous year.

The value of the College's investments reduced by **£2.275M** in the year as a result of the significant COVID-19 related general market movements in March 2020.

CONSOLIDATED RESULTS	2020	2019	Variance	
	£'000	£'000	£'000	% variance
Income	7,570	6,968	602	9%
Expenditure	7,968	8,820	852	10%
Deficit before movement in investments	(398)	(1,852)	1,454	79%
Net (losses) / gains on investments	(2,275)	1,254	(3,529)	-281%
Net movement in funds	(2,673)	(598)	(2,075)	-347%

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The College's principal source of income remains its charitable activity, with 80% (2019:82%) of its revenues being generated by membership subscriptions, examination fees and education activity. Overall consolidated income increased by **£601,906**, driven by increases in income from charitable activities and a significant **£200,000** grant in donations and legacies.

CONSOLIDATED INCOME	2020		2019		Variance	
	£'000	% of total	£'000	% of total	£'000	% variance
Donations and legacies	457	6%	259	4%	198	76%
Charitable activities	6,077	80%	5,734	82%	343	6%
Other trading activities	437	6%	393	6%	44	11%
Investments	597	8%	582	8%	15	3%
Other Income	2	0%	-	0%	2	0%
TOTAL CONSOLIDATED INCOME	7,570		6,968		602	9%

Income from examinations and membership subscriptions both increased by over 10%, reflecting the increases in membership numbers noted elsewhere in this report. The reduction in education income partly reflects the cancellation of March 2020 events, a particularly busy month for education, in response to the COVID-19 related restrictions.

CONSOLIDATED INCOME FROM CHARITABLE ACTIVITIES	2020		2019		Variance	
	£'000	% of total	£'000	% of total	£'000	% variance
Examinations	2,723	45%	2,345	41%	378	16%
Education	917	15%	1,238	21%	(321)	-26%
Membership	2,437	40%	2,151	38%	286	13%
TOTAL INCOME FROM CHARITABLE ACTIVITIES	6,077		5,734		343	6%

During the year the College's consolidated net assets reduced by **£2.673M**, primarily due to the reduction in the value of the College's investment portfolio. This fall was in line with general market movements in March 2020 as the COVID-19 pandemic continued to take hold.

As well as the **£2.275M** reduction in the value of investments, **£2.065M** was realised from the sale of poorly performing investments with low expectations of future improved performance with the proceeds transferred to current assets. As a result, consolidated fixed assets reduced in the year by **£4.400M** and consolidated current assets increased by **£1.861M**.

Recent activity on the investment portfolio up until 5 November 2020 has increased its value by **£1,254,377** and realised **£583,180** of cash through the disposal of poorly performing investments.

The reductions in the endowment, unrestricted and restricted funds primarily reflect the proportion of the College's investments which are allocated to each fund.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

CONSOLIDATED BALANCE SHEET	2020	2019	Variance
	£'000	£'000	£'000
Fixed assets	21,093	25,493	(4,400)
Current assets	3,321	1,460	1,861
Liabilities	(4,326)	(4,192)	(134)
Net assets	20,088	22,761	(2,673)
Endowment funds	2,221	2,540	(319)
Unrestricted funds	14,403	16,540	(2,137)
Restricted funds	3,464	3,681	(217)
Total funds	20,088	22,761	(2,673)

Reserves Policy

The College was founded in 1599 and has built up considerable funds. These have arisen in three different ways. The principal **Endowment Funds**, representing gifts and bequests granted for the specific purposes set out, are shown in note 26 to the accounts. **Restricted Funds**, representing grants awarded to the College for specific purposes are shown in note 28 to the accounts. The remaining funds are held as **General Reserves** and represent a combination of:

- The originating funds of the College.
- Non-specific gifts and bequests.
- Unrestricted funds arising from past operating results.
- Capital growth over the years of the investments in which these general reserves are invested.

Investment Policy

The Investment Committee, along with the Chief Executive Officer and Finance Director regularly review the investment strategy with the College's investment advisors. The portfolio is also discussed regularly by Council and the Finance, Audit and Risk Committee. This enables the College to maintain and improve services to members while allowing sufficient flexibility to meet the external challenges and opportunities presented by its diverse operating environment. Regular meetings are held with Rathbones, the College's investment managers, to review the performance of the portfolio and their professional advice is taken where necessary.

The College currently relies on the annual income from its investment portfolio to help fund its day to day activities and the portfolio therefore focusses on high quality, dividend generating stocks.

At 31 March 2020, the portfolio was valued at **£13,737,672**, a reduction of **£4,339,207** on the **£18,076,879** valuation at 31 March 2019. The reduction in value was due to a combination of the general market falls in March 2020 and the conversion of investments to cash during the year.

Since the year end, and until 5 November 2020, **£1,144,276** of securities at cost have been realised from the portfolio with the remaining investments increasing in value by **£2,123,104** to **£14,992,049** as global equity markets have recovered from their lows in March 2020.

Risk Management

The Council continues to assess the major risks to which the charity is exposed, in particular those related to the operations and finances of the College and is satisfied that systems are in place to mitigate its exposure to the major risks. There is a risk register in place and this is regularly assessed at the Finance, Audit and Risk Committee meetings and key risks are communicated to the Executive Board and Council.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Risk Management (continued)

The key risks currently identified are:

- The COVID-19 pandemic and its associated restrictions have presented the College with a number of significant risks:
 - Continuing social distancing rules and the possibility of future lockdowns have had a significant impact on the ability of the College to deliver exams and education events. The College, in collaboration with its intercollegiate partners has made significant strides in mitigating this risk through developing online solutions and 'Covid safe' face-to-face examination delivery. The risk remains however that future lockdowns may curtail the College's ability to continue to deliver these events.
 - Restrictions on the hospitality sector mean that 1599 Limited is unable to deliver any of its normal activities. Plans are being developed for new commercial activity which will commence prior to Christmas 2020.
 - Ensuring continued organisational resilience while the College's staff work from home will remain a challenge for the foreseeable future. In order to mitigate this risk, the College has been extremely proactive in supporting staff through consultation, increased communication, effective remote working ICT solutions, health and safety assessments and training.
- COVID-19 has placed even greater pressures on all healthcare professionals at every stage of their careers. We have placed membership support and clinician engagement at the heart of all our messaging and engagement communications, underpinned by our vision to be the 'Go To' College, and setting out who we are, what we stand for and what we do. However, capacity and time for clinical volunteering will be an ongoing constraint that we are actively managing at all levels of College activity through our work on resilience, engagement, wellbeing, workforce, and inclusivity.
- While the results to 31 March 2020 showed significant improvement on previous years, the journey to sustainable financial performance has been interrupted by the post year end COVID-19 related disruption to the delivery of examination and education activity. The development and successful launch in September 2020 of online, hybrid and 'Covid safe' face to face examination and education delivery has put the College in a strong position to continue to improve its financial performance from 2021/22 onwards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The College is a charity registered in Scotland. It is a body incorporated by Royal Charter whose principal concerns are with education and training for medical, surgical and dental practice and for the maintenance of high standards of professional competence and conduct. In practice, the College works collaboratively with a number of other Royal Colleges via intercollegiate committees to fulfil its purposes.

The following documents are the governing documents of the College:

- Royal Charter of King James VI of Scotland of 29 November 1599;
- Act of the Scottish Parliament of 11 September 1672;
- Act of the British Parliament of 1850 (13 and 14 Vict CXX); and
- Royal College of Physicians and Surgeons of Glasgow Order Confirmation Act 1962.

The governing body of the College is the Council, which meets five times per year to control and arrange the affairs of the College in the delivery of its strategic priorities. In between meetings of the Council, management is carried out by the College's boards and in particular the Executive Board which meets six times per year to ensure that activities are progressing and to advise Council how to progress important matters.

Boards generally consist of a number of Council members and others elected and co-opted by the committee itself. All committee appointments have continuous length of service limits.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The trustees are councillors of the College. All are elected and appointed by the College membership. The attendance of trustees at Council is recorded and the Registrar writes to those trustees whose attendance is poor. The attendance register is also available for inspection at the Annual General Meeting.

Council's role is to oversee the proper management and development of the organisation according to its aims and objectives, to ensure that the organisation conforms to prevailing legislation and regulation and to make decisions on the key strategic issues it faces. Council members take decisions in the best interests of the College as a whole. They are expected to be objective when decision making, and a register of interests is maintained in respect of each Council member. On appointment to office, Council members receive an induction pack of written information.

Key Management Personnel

The College Leadership Team is responsible for designing policies and procedures to support the strategies authorised by the Board of Trustees, as well as managing the daily operations of the organisation. The College Leadership Team comprises Chief Executive Officer, the Deputy CEO and Director of Membership and Engagement, the Director of Education and Assessment, the Finance Director, the Head of Corporate Communications and Marketing and the Head of ICT and Digital Transformation.

Remuneration is set using a scale which is related to the job description and responsibilities of the role. Increases are approved by the Trustees annually.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

TRUSTEES' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and charity and of the income and expenditure for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the FRS 102 Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and charity, and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the group and charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees' report was approved by the trustees on 27th November 2020 signed on their behalf by:



.....
Prof Jackie Taylor
President



.....
Dr Rajan Madhok
Honorary Treasurer

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL COLLEGE OF PHYSICIANS
AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2020**

Opinion

We have audited the financial statements of the Royal College of Physicians and Surgeons of Glasgow (the parent charity) and its subsidiary (the group) for the year ended 31 March 2020 which comprise the Consolidated and Parent Charity Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheet, the Consolidated and Parent Charity Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2020 and of the group's and parent charity's income and expenditure 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 regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL COLLEGE OF PHYSICIANS
AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2020**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 trustees either intend to liquidate the parent charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL COLLEGE OF PHYSICIANS
AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2020**

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 Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Azets Audit Services

Azets Audit Services

Statutory Auditor

Chartered Accountants

Eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

25 Bothwell Street

Glasgow

G2 6NL

Dated: 27 November 2020

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Endowment Funds 2020 £	Restricted Funds 2020	Unrestricted Funds 2020 £	Total Funds 2020 £	Endowment Funds 2019 £	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:									
Donations and legacies	5	150	426,298	30,971	457,419	150	199,152	59,247	258,549
Charitable activities	6	-	-	6,076,560	6,076,560	-	-	5,734,223	5,734,223
Other trading activities	7	-	-	437,168	437,168	-	-	392,921	392,921
Investments	8	-	187,512	409,104	596,616	-	172,269	409,895	582,164
Other		-	-	2,000	2,000	-	-	-	-
Total income		150	613,810	6,955,803	7,569,763	150	371,421	6,596,286	6,967,857
Expenditure on:									
Raising funds	9	-	-	375,323	375,323	-	-	347,199	347,199
Charitable activities	10,11	-	434,012	7,148,934	7,582,946	534	530,705	7,941,458	8,472,697
Other		-	-	10,212	10,212	-	-	-	-
Total expenditure		-	434,012	7,534,469	7,968,481	534	530,705	8,288,657	8,819,896
Net (losses)/gains on investments		(319,615)	(396,903)	(1,558,126)	(2,274,644)	168,612	209,353	876,464	1,254,429
Net (expenditure)		(319,465)	(217,105)	(2,136,792)	(2,673,362)	168,228	50,069	(815,907)	(597,610)
Transfers between funds		-	-	-	-	-	-	-	-
Net movement in funds	4	(319,465)	(217,105)	(2,136,792)	(2,673,362)	168,228	50,069	(815,907)	(597,610)
Reconciliation of funds									
Total funds brought forward	26,27,28	2,540,024	3,681,035	16,540,331	22,761,390	2,371,796	3,630,966	17,356,238	23,359,000
Total funds carried forward	26,27,28	2,220,559	3,463,930	14,403,539	20,088,028	2,540,024	3,681,035	16,540,331	22,761,390

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.
The notes form part of these financial statements.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

	Note	Endowment Funds 2020 £	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Endowment Funds 2019 £	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:									
Donations and legacies	5	150	426,298	30,971	457,419	150	199,152	59,247	258,549
Charitable activities	6	-	-	6,076,560	6,076,560	-	-	5,734,223	5,734,223
Other trading activities	7	-	-	52,163	52,163	-	-	33,662	33,662
Investments	8	-	187,512	409,104	596,616	-	172,269	409,895	582,164
Other		-	-	2,000	2,000	-	-	-	-
Total income		150	613,810	6,570,798	7,184,758	150	371,421	6,237,027	6,608,598
Expenditure on:									
Raising funds	9	-	-	49,172	49,172	-	-	59,952	59,952
Charitable activities	10,11	-	434,012	7,144,206	7,578,218	534	530,705	7,939,704	8,470,943
Total expenditure		-	434,012	7,193,378	7,627,390	534	530,705	7,999,656	8,530,895
Net (losses)/gains on investments		(319,615)	(396,903)	(1,558,126)	(2,274,644)	168,612	209,353	876,464	1,254,429
Net (expenditure)		(319,465)	(217,105)	(2,180,706)	(2,717,276)	168,228	50,069	(886,165)	(667,868)
Transfers between funds		-	-	-	-	-	-	-	-
Net movement in funds	4	(319,465)	(217,105)	(2,180,706)	(2,717,276)	168,228	50,069	(886,165)	(667,868)
Reconciliation of funds									
Total funds brought forward	26,27,28	2,540,024	3,681,035	16,540,573	22,761,632	2,371,796	3,630,966	17,426,738	23,429,500
Total funds carried forward	26,27,28	2,220,559	3,463,930	14,359,867	20,044,356	2,540,024	3,681,035	16,540,573	22,761,632

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET AS AT 31 MARCH 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets:					
Tangible assets	17	7,354,939	7,415,934	7,354,939	7,415,934
Investments	18	13,737,672	18,076,879	13,737,772	18,076,979
Total fixed assets		21,092,611	25,492,813	21,092,711	25,492,913
Current assets:					
Stocks	20	8,619	15,985	8,619	15,985
Debtors	21	1,470,159	946,850	1,472,391	909,461
Cash at bank and in hand	22	1,842,248	497,698	1,734,430	435,502
Total current assets		3,321,026	1,460,533	3,215,440	1,360,948
Liabilities:					
Creditors falling due within one year	23	(2,525,609)	(4,191,956)	(2,463,795)	(4,092,229)
Net current assets/(liabilities)		795,417	(2,731,423)	751,645	(2,731,281)
Creditors falling due after one year	25	(1,800,000)	-	(1,800,000)	-
Total net assets		20,088,028	22,761,390	20,044,356	22,761,632
The funds of the charity:					
Endowment funds	26	2,220,559	2,540,024	2,220,559	2,540,024
Unrestricted funds	27	14,403,539	16,540,331	14,359,867	16,540,573
Restricted income funds	28	3,463,930	3,681,035	3,463,930	3,681,035
Total charity funds		20,088,028	22,761,390	20,044,356	22,761,632

The financial statements were approved by the Trustees on 27th November 2020 and signed on their behalf by:



.....
Jackie Taylor
President



.....
Rajan Madhok
Honorary Treasurer



.....
Mark Allison
Non-Trustee

The notes form part of these financial statements.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED STATEMENT OF CASH FLOWS AND CHARITY STATEMENT OF CASH FLOWS AS AT 31 MARCH 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Cash flows from operating activities:					
Net cash used in operating activities	30	(1,392,888)	(1,444,527)	(1,438,510)	(1,466,692)
Cash flows from investing activities:					
Dividends, interest and rents from investments		596,616	582,164	596,616	582,164
Purchase of property, plant and equipment		(286,366)	(543,713)	(286,366)	(543,713)
Proceeds from investments		2,064,563	1,755,753	2,064,563	1,755,753
Purchase of investments		-	(1,021,901)	-	(1,021,901)
Net cash provided by investing activities		2,374,813	772,303	2,374,813	772,303
Change in cash and cash equivalents in the year		981,925	(672,224)	936,303	(694,389)
Cash and cash equivalents at 1 April		497,698	1,169,922	435,502	1,129,891
Cash and cash equivalents at 31 March		1,479,623	497,698	1,371,805	435,502
Cash and cash equivalents comprise the following:					
Cash at bank and in hand		1,842,248	497,698	1,734,430	435,502
Bank overdraft		(362,625)	-	(362,625)	-
Cash and cash equivalents at 31 March		1,479,623	497,698	1,371,805	435,502

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General Information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. These financial statements are of the Royal College of Physicians and Surgeons of Glasgow and its subsidiary 1599 Limited.

The mission of the Royal College of Physicians and Surgeons of Glasgow is to provide career support to membership through education, training, professional development, examination and assessment, whilst acting as a charity and leading voice on health issues in order to set the highest possible standards of health care.

The principal activity of 1599 Limited during the year was that of establishing the College building as a first class venue for corporate functions, weddings and private dining.

Royal College of Physicians and Surgeons of Glasgow is body incorporated by Royal Charter, recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC000847. Details of the registered office can be found on the charity information page of these financial statements.

2. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Royal College of Physicians and Surgeons of Glasgow meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies (see note 3).

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the group's financial statements unless otherwise stated.

b) Consolidation

The group financial statements consolidate the financial statements of the Royal College of Physicians and Surgeons of Glasgow and its subsidiary 1599 Limited. The results of the subsidiary are consolidated on a line-by-line basis.

c) Going concern

The trustees have reviewed the level of funds, together with the budgeted expectations for the forthcoming year and having considered the effects of Covid-19, consider it reasonable that the group will remain in operation for a period of twelve months from the date of approval of these financial statements.

2. Accounting policies (continued)

d) Income recognition

All income is included in the Statement of Financial Activities (SOFA) when the group is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donation and legacy income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when the group is entitled to the funds. Grants, where entitlement is not conditional on the delivery of a specific performance by the group, are recognised when the group becomes unconditionally entitled to the grant.
- Income from legacies is credited to the Statement of Financial Activities on an accruals basis when the income can be measured and it is probable that the group will receive the income.
- Income from grants, where related to performance and specific deliverables, is accounted for as the group earns the right to consideration by its performance.
- Income from charitable and commercial trading activities is accounted for when earned.
- Overseas subscriptions are paid for the year ended 31 March 2020, and are accounted for in the period to which they relate.
- UK subscriptions are paid for the year ended 31 March 2020, and are accounted for in the period to which they relate.
- Investment income is included when receivable and is allocated to funds on an appropriate basis.

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions that must be met before the group has unconditional entitlement.

e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Fellows and Members is not recognised, nor is the volunteer time of the library volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the group which is the amount the group would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2. Accounting policies (continued)

f) Expenditure recognition

Expenditure is recognised once there is a legal and constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT that cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the group and include the audit fees and costs linked to the strategic management of the group.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the group and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in notes 12 and 13.

h) Redundancy payments

Redundancy payments are amounts payable to end an individual's employment and are charged on an accruals basis to the Statement of Financial Activities when the group is demonstrably committed to this course of action.

i) Gains and losses

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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

j) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities. The obligation to pay future rentals on operating leases is shown by way of a note to the accounts.

2. Accounting policies (continued)

k) Pension scheme

The charity operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered by Trustees in a fund independent from those of the group.

The money purchase plan is managed by Standard Life and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The group has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

l) Taxation

The charity is a charitable entity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

The subsidiary company is not exempt from taxation. The tax expense for the year comprises corporation tax. Tax is recognised in the Consolidated Statement of Financial Activities, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in funds is also recognised in other comprehensive income or directly in funds respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

m) Tangible fixed assets

Fixed assets are stated at cost net of depreciation and impairment losses. Where more than £4,000 has been spent on an item that the group gains long-term benefit from, it is capitalised. Smaller sums may be capitalised if they are part of a larger project.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives on the following bases:

Freehold land and buildings	40 years
Refurbishment of buildings	40 years/20 years
Fixtures and fittings	5 years
Plant and machinery	15 years
IT software	10 years/5 years
IT equipment	5 years/3 years

No depreciation is applied in the year of purchase. Depreciation on IT software will be charged from the year it becomes operational. The rate applied is dependent on the estimated life span of the software and this also applies to IT hardware. Refurbishment costs are capitalised and depreciated on a straight-line basis over a 20 or 40 year period, dependent on the nature of the refurbishment. Permanent structural refurbishment is depreciated over a 40 year period, while internal, cosmetic office refurbishment is depreciated over 20 years.

The group has four collections of heritage assets that contribute to its charitable aims of education and preserving cultural history. The collections span not only the history of medicine but also cultural changes in Glasgow and the wider world. These assets are preserved, where required, within a secure, temperature controlled environment. A high specification archive has been built in which to house a portion of these assets.

2. Accounting policies (continued)

m) Tangible fixed assets (continued)

Members of the public have access to the assets during normal charity opening hours. There is also an online book catalogue, details of archive collections and online exhibitions on the charity's website. The charity also takes part in Glasgow's Doors Open Day, with tours provided by charity staff and its Senior Fellows.

Due to the diverse nature of the collections held and the lack of comparable market values for the majority of the collections, the assets are not recognised in the Balance Sheet. Details of the collections are summarised as follows:

Art Collection

The art collection contains portraits of past presidents by famous artists such as Sir Henry Raeburn and Sir Daniel Macnee as well as a number of works by contemporary artists purchased from exhibitions of the Royal Glasgow Institute of Fine Arts. The collection also contains a half set of the world renowned Audubon's The Birds of North America.

Museum Collection

The museum collection consists of items of a medical and surgical nature and includes the instruments of William Beatty, surgeon aboard HMS Victory at the Battle of Trafalgar.

Archive

The archives of the College date from the first Minute book beginning 1602. The archive contains, inter alia, papers relating to physicians, surgeons and dentists with connections to the College.

Library

The library houses over 30,000 volumes and dates back to 1698. The earliest volume dates to 1491, resulting in a collection that spans over 500 years of medical and surgical history. There are also books relating to the history of Glasgow and the West of Scotland.

Records of heritage assets are held in various databases.

n) Investments

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 Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Investment in the subsidiary undertaking is included at cost.

o) Stock

Stock is included at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Cash and cash equivalents

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

r) Creditors and provisions

Creditors and provisions are recognised where the group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

s) Financial instruments

The group only enter into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and the liability simultaneously.

t) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the group.

Endowment funds are restricted funds where any capital together with subsequent investment gains and losses can only be distributed in accordance with the terms imposed by the donor.

Restricted funds are only available for the use specified by the donor.

Further details of each fund are disclosed in notes 26, 27 and 28.

3. Judgements and significant estimates

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates. The depreciation rates are deemed to be appropriate for the class of asset.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Net movement in funds

This is stated after charging:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Auditor's remuneration				
Audit fees	22,219	15,019	17,971	13,585
Non-audit services	5,100	720	4,620	400
Depreciation	347,361	352,166	347,361	352,166
Operating lease costs – Other	6,720	6,720	6,720	6,720
Staff pension costs	238,553	226,842	233,959	224,937

5. Income from donations and legacies

	Endowment Funds	Restricted Funds	Unrestricted Funds	2020 Total
	£	£	£	£
Group and Charity				
Donations & legacies	150	200,060	30,971	231,181
General grants	-	226,238	-	226,238
	150	426,298	30,971	457,419

	Endowment Funds	Restricted Funds	Unrestricted Funds	2019 Total
	£	£	£	£
Group and Charity				
Donations & legacies	150	250	59,247	59,647
General grants	-	198,902	-	198,902
	150	199,152	59,247	258,549

6. Income from charitable activities

	2020 Total	2019 Total
	£	£
Group and Charity		
Examinations	2,723,165	2,345,519
Education	916,791	1,237,696
Membership	2,436,604	2,151,008
	6,076,560	5,734,223

All income from charitable activities in 2020 and 2019 is unrestricted.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Income from other trading activities

	2020 Total £	2019 Total £
Group		
Letting	52,163	30,770
Other income	-	2,892
1599 event income	385,005	359,259
	<u>437,168</u>	<u>392,921</u>
	2020 Total £	2019 Total £
Charity		
Letting	52,163	30,770
Other income	-	2,892
	<u>52,163</u>	<u>33,662</u>

All income from other trading activities in 2020 and 2019 is unrestricted.

8. Investment income

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2020 Total £
Group and Charity				
Dividends	-	187,512	407,760	595,272
Interest	-	-	1,344	1,344
	<u>-</u>	<u>187,512</u>	<u>409,104</u>	<u>596,616</u>
	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2019 Total £
Group and Charity				
Dividends	-	172,269	409,526	581,795
Interest	-	-	369	369
	<u>-</u>	<u>172,269</u>	<u>409,895</u>	<u>582,164</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. Expenditure on raising funds

Group	2020 Total £	2019 Total £
Letting of College accommodation	35,391	45,958
1599 Limited commercial activities	326,151	287,247
Investment management fees	13,781	13,994
	375,323	347,199
	2020 Total £	2019 Total £
Charity		
Letting of College accommodation	35,391	45,958
Investment management fees	13,781	13,994
	49,172	59,952

All expenditure on raising funds in 2020 and 2019 relates to unrestricted funds.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. Expenditure on charitable activities

Group	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2020 Total £
Examinations	-	-	2,518,799	2,518,799
Education	-	189,962	2,012,019	2,201,981
Membership	-	244,050	2,618,116	2,862,166
	-	434,012	7,148,934	7,582,946

Group	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2019 Total £
Examinations	-	-	2,864,694	2,864,694
Education	-	198,038	2,382,593	2,580,631
Membership	534	332,667	2,694,171	3,027,372
	534	530,705	7,941,458	8,472,697

Charity	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2020 Total £
Examinations	-	-	2,517,363	2,517,363
Education	-	189,962	2,010,495	2,200,457
Membership	-	244,050	2,616,348	2,860,398
	-	434,012	7,144,206	7,578,218

Charity	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2019 Total £
Examinations	-	-	2,864,161	2,864,161
Education	-	198,038	2,382,027	2,580,065
Membership	534	332,667	2,693,516	3,026,717
	534	530,705	7,939,704	8,470,943

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of expenditure on charitable activities

Group	Examinations £	Education £	Membership £	2020 £
Staff costs	583,961	795,143	894,406	2,273,510
Venue and catering costs	202,353	68,098	16,546	286,997
Administrative costs	202,695	85,442	732,602	1,020,739
Other costs	6,352	202,085	5,555	213,992
Travel costs	586,909	56,617	61,828	705,354
Support costs (note 12)	936,529	994,596	1,151,229	3,082,354
	<u>2,518,799</u>	<u>2,201,981</u>	<u>2,862,166</u>	<u>7,582,946</u>

Group	Examinations £	Education £	Membership £	2019 £
Staff costs	720,661	861,616	1,050,122	2,632,399
Venue and catering costs	219,949	121,460	7,445	348,854
Administrative costs	406,300	252,303	701,327	1,359,930
Other costs	468	198,246	8,407	207,121
Travel costs	534,601	103,606	51,481	689,688
Support costs (note 12)	982,715	1,043,400	1,208,590	3,234,705
	<u>2,864,694</u>	<u>2,580,631</u>	<u>3,027,372</u>	<u>8,472,697</u>

Charity	Examinations £	Education £	Membership £	2020 £
Staff costs	583,961	795,143	894,406	2,273,510
Venue and catering costs	202,353	68,098	16,546	286,997
Administrative costs	202,695	85,443	732,601	1,020,739
Other costs	6,352	202,085	5,555	213,992
Travel costs	586,909	56,617	61,828	705,354
Support costs (note 12)	935,093	993,071	1,149,462	3,077,626
	<u>2,517,363</u>	<u>2,200,457</u>	<u>2,860,398</u>	<u>7,578,218</u>

Charity	Examinations £	Education £	Membership £	2019 £
Staff costs	720,661	861,616	1,050,122	2,632,399
Venue and catering costs	219,949	121,460	7,445	348,854
Administrative costs	406,300	252,303	701,327	1,359,930
Other costs	468	198,246	8,407	207,121
Travel costs	534,601	103,606	51,481	689,688
Support costs (note 12)	982,182	1,042,834	1,207,935	3,232,951
	<u>2,864,161</u>	<u>2,580,065</u>	<u>3,026,717</u>	<u>8,470,943</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Support costs

Group	Examinations £	Education £	Membership £	2020 £
Staff costs	305,504	324,800	375,130	1,005,434
Property	89,620	95,126	110,224	294,970
IT costs	86,839	92,174	106,803	285,816
Other costs	261,877	277,968	322,084	861,929
Depreciation	105,538	112,022	129,801	347,361
Governance (note 13)	87,151	92,506	107,187	286,844
	<u>936,529</u>	<u>994,596</u>	<u>1,151,229</u>	<u>3,082,354</u>

Group	Examinations £	Education £	Membership £	2019 £
Staff costs	407,887	433,076	501,641	1,342,604
Property	77,446	82,228	95,247	254,921
IT costs	62,158	65,996	76,444	204,598
Other costs	199,147	211,445	244,920	655,512
Legal fees	14,437	15,329	17,755	47,521
Depreciation	105,218	111,715	129,403	346,336
Governance (note 13)	116,422	123,611	143,180	383,213
	<u>982,715</u>	<u>1,043,400</u>	<u>1,208,590</u>	<u>3,234,705</u>

Charity	Examinations £	Education £	Membership £	2020 £
Staff costs	305,504	324,800	375,130	1,005,434
Property	89,620	95,126	110,224	294,970
IT costs	86,839	92,174	106,803	285,816
Other costs	261,877	277,968	322,084	897,308
Depreciation	105,538	112,022	129,801	347,361
Governance (note 13)	85,715	90,981	105,420	282,116
	<u>935,093</u>	<u>993,071</u>	<u>1,149,462</u>	<u>3,077,626</u>

Charity	Examinations £	Education £	Membership £	2019 £
Staff costs	407,887	433,076	501,641	1,342,604
Property	77,446	82,228	95,247	254,921
IT costs	62,158	65,996	76,444	204,598
Other costs	199,147	211,445	244,920	655,512
Legal fees	14,437	15,329	17,755	47,521
Depreciation	105,218	111,715	129,403	346,336
Governance (note 13)	115,889	123,045	142,525	381,459
	<u>982,182</u>	<u>1,042,834</u>	<u>1,207,935</u>	<u>3,232,951</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Support costs (continued)

Support costs are apportioned to the charitable activities based on an estimated amount attributable to that activity in the year and using various bases of apportionment including square footage, staff numbers and PC numbers according to which best reflects the use of the resources.

13. Governance costs

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trustees expenses (note 15)	18,499	8,055	18,499	8,055
Staff costs	192,532	231,203	192,532	231,203
Auditor remuneration	27,319	15,739	22,591	13,985
Legal fees	12,441	35,937	12,441	35,937
Cost of meetings	36,053	92,279	36,053	92,279
	286,844	383,213	282,116	381,459

14. Staff costs and numbers

Staff costs were as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	3,203,269	3,622,034	2,992,610	3,444,920
Social security costs	240,992	310,011	233,753	303,867
Other pension costs	256,724	226,842	245,113	224,937
	3,700,985	4,158,887	3,471,476	3,973,724

	Group		Charity	
	2020	2019	2020	2019
	No	No	No	No
Average monthly number of employees during the period	128	133	128	133

The number of employees whose emoluments in the year exceeded £60,000 were:

	Group		Charity	
	2020	2019	2020	2019
	No	No	No	No
£60,001 - £70,000	1	3	1	3
£70,001 - £80,000	1	-	1	-
£90,001 - £100,000	1	-	1	-
£100,001 - £110,000	1	1	1	1

All employees are members of the defined contribution pension scheme.

Key Management Personnel of the College consists of the Chief Executive Officer and the heads of department detailed on the Charity Information page. Total remuneration costs for the year including employer national insurance contributions and employer pension contributions for the above were £482,706 (2019 - £426,377).

During the year, 1 staff member (2019: 20) received payments in respect of redundancy and termination of £31,713 (2019: £235,468).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Trustees remuneration

No trustees received any remuneration in the year (2019 - £nil). Travel and hotel costs amounting to £18,499 (2019 - £8,055) were reimbursed to 19 (2019 - 16) Trustees.

	31 March 2020	<i>31 March 2019 (restated)</i>
	£	£
Remuneration	-	-
College governance	18,499	8,055
	<u>18,499</u>	<u>8,055</u>

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the group or charity during the year (2019 - None).

16. Government grants

Income from government grants includes a grant from the Scottish Government Public Health Division of £200,000 for the purpose of supporting and developing an Obesity Action Scotland Unit. The Unit has been set up in order to deliver an independent policy and plan to reduce obesity in Scotland.

The grant is provided under section 1A of the National Health Service (Scotland) Act 1978 (as inserted by section 9 of the National Health Service Reform (Scotland) Act 2004) which permits the Scottish Ministers to promote the improvement of the physical and mental health of the people of Scotland.

Obesity Action Scotland provides leadership and advocacy on preventing and reducing obesity and overweight in Scotland by:

- Raising awareness and understanding;
- Identifying and pursuing prevention strategies; and
- Promoting healthy weight.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Tangible fixed assets

Group and Charity	Freehold land & buildings £	Fixtures and fittings £	IT equipment £	IT software £	Plant & equipment £	Total £
Cost						
As at 1 April 2019	6,679,347	923,592	169,513	1,163,870	175,678	9,112,000
Additions	95,784	11,892	110,481	68,209	-	286,366
Disposals	-	(31,319)	-	-	-	(31,319)
As at 31 March 2020	6,775,131	904,165	279,994	1,232,079	175,678	9,367,047
Depreciation						
As at 1 April 2019	295,337	789,420	99,456	469,996	41,857	1,696,066
Charge for the year	172,309	45,796	21,342	99,889	8,025	347,361
Disposals	-	(31,319)	-	-	-	(31,319)
As at 31 March 2020	467,646	803,897	120,798	569,885	49,882	2,012,108
Net book value						
As at 31 March 2020	6,307,485	100,268	159,196	662,194	125,796	7,354,939
As at 31 March 2019	6,384,010	134,172	70,057	693,874	133,821	7,415,934

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Investments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Listed investments at fair value				
Equities	13,369,130	17,233,794	13,369,130	17,233,794
Fixed rate securities	368,542	843,085	368,542	843,085
Unlisted investments at cost				
Investment in subsidiary (note 19)	-	-	100	100
	<u>13,737,672</u>	<u>18,076,879</u>	<u>13,737,772</u>	<u>18,076,979</u>

Listed investments

	2020	2019
	£	£
Group and Charity		
Market value at 1 April	18,076,879	17,556,302
Additions at cost	-	1,021,901
Disposals at opening book value	(1,100,270)	(1,687,778)
Unrealised movement in market value	(3,238,937)	1,186,454
Market value at 31 March	<u>13,737,672</u>	<u>18,076,879</u>
Historical cost at 31 March	<u>10,416,342</u>	<u>11,193,006</u>

All listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. 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 group and charity is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The group and charity's investments are mainly traded in markets with good liquidity and high trading volumes. The group and charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The group and charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The group and charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19. Subsidiary undertaking

The charity owns 100% of 1599 Limited, a private company limited by shares and incorporated in Scotland, company number SC424139. The principal activity of the subsidiary is that of establishing the College building as a first class venue for corporate functions, weddings and private dining. When the company has distributable reserves, all profits are gifted to the parent charity. A summary of the financial position of the subsidiary is given below.

	2020 £	2019 £
Turnover	378,589	359,259
Cost of sales and administration costs	(330,879)	(289,001)
Operating profit	47,710	70,258
Amount gift aided to the charity	-	-
Profit after tax	47,710	70,258
Tax on profit	(8,992)	-
Retained in subsidiary	38,718	70,258
The assets and liabilities of the subsidiary were:		
Current assets	156,712	132,342
Current liabilities	(118,136)	(132,484)
Net assets/(liabilities)	38,576	(142)
Aggregate share capital and reserves	38,576	(142)

20.	Stock	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Goods for sale	8,619	15,985	8,619	15,985

There is no material difference between the book value of stocks and replacement cost.

21.	Debtors	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Trade debtors	131,004	233,463	75,668	165,073
	Accrued income	921,940	495,076	921,940	493,320
	Other debtors	245,080	59,954	245,080	59,954
	Taxation	13,730	-	13,730	-
	Prepayments	158,405	158,357	158,405	158,357
	Amounts owed by group undertakings	-	-	57,568	32,757
		1,470,159	946,850	1,472,391	909,461

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

22. Cash at bank and in hand	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank and in hand	1,842,248	497,698	1,734,430	435,502
	<u>1,842,248</u>	<u>497,698</u>	<u>1,734,430</u>	<u>435,502</u>
23. Creditors: Amounts falling due within one year	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	200,000	2,000,000	200,000	2,000,000
Bank overdraft	362,625	-	362,625	-
Trade creditors	146,570	251,188	136,941	247,470
Other creditors	525,364	545,381	506,898	504,412
Social security and other taxes	73,190	140,239	73,164	120,160
Deferred income (note 24)	578,080	652,722	557,899	619,512
Accruals	629,568	602,426	626,268	600,675
Corporation tax	10,212	-	-	-
	<u>2,525,609</u>	<u>4,191,956</u>	<u>2,463,795</u>	<u>4,092,229</u>
24. Deferred income	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at 1 April	652,722	869,427	619,512	868,323
Released in the year to income	(652,722)	(869,427)	(619,512)	(868,323)
Received in the year	578,080	652,722	557,899	619,512
	<u>578,080</u>	<u>652,722</u>	<u>557,899</u>	<u>619,512</u>
Balance at 31 March (note 23)	<u>578,080</u>	<u>652,722</u>	<u>557,899</u>	<u>619,512</u>

Deferred Income relates to examination and education fees, members' subscriptions room hire income and grants received in advance. Grants are recognised as deferred income where performance conditions have not yet been met.

25. Creditors: Amounts falling due after one year	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loan	1,800,000	-	1,800,000	-
	<u>1,800,000</u>	<u>-</u>	<u>1,800,000</u>	<u>-</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

25. Creditors: Amounts falling due after one year (continued)

Group and Charity

Amounts are due within the following periods:

	2020 £	2019 £
Within one year	200,000	2,000,000
Between one and two years	180,000	-
Between two and five years	1,620,000	-
Greater than five years	-	-
	2,000,000	2,000,000

26. Endowment funds

Group and Charity	Balance at 1 April 2019 £	Income £	Expenditure £	Losses £	Balance at 31 March 2020 £
Permanent endowments					
Ethicon Fund	222,093	-	-	(27,946)	194,147
Lock Hospital Trust	1,502,476	-	-	(189,059)	1,313,417
Mr & Mrs Walker Trust	589,319	-	-	(74,155)	515,164
Ben Walton Trust fund	96,548	150	-	(12,149)	84,549
	2,410,436	150	-	(303,309)	2,107,277
Expendable endowments					
Lachlan McNeill	40,921	-	-	(5,149)	35,772
David Murdoch Memorial	87,214	-	-	(10,974)	76,240
Cameron Lockie Fund	1,453	-	-	(183)	1,270
	129,588	-	-	(16,306)	113,282
	2,540,024	150	-	(319,615)	2,220,559
					<i>Balance at 31 March 2019 £</i>
Group and Charity	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains £</i>	
Permanent endowments					
Ethicon Fund	207,352	-	-	14,741	222,093
Lock Hospital Trust	1,402,754	-	-	99,722	1,502,476
Mr & Mrs Walker Trust	550,205	-	-	39,114	589,319
Ben Walton trust fund	90,000	150	-	6,398	96,548
	2,250,311	150	-	159,975	2,410,436
Expendable endowments					
Lachlan McNeill	38,205	-	-	2,716	40,921
David Murdoch Memorial	81,425	-	-	5,789	87,214
Cameron Lockie Fund	1,855	-	(534)	132	1,453
	121,485	-	(534)	8,637	129,588
	2,371,796	150	(534)	168,612	2,540,024

Details of the funds are included in note 28.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

27. Unrestricted Funds Group	Balance at 1 April 2019 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2020 £
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	7,335,463	-	-	-	(37,305)	7,298,158
	<u>7,345,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,305)</u>	<u>7,308,158</u>
General fund	9,194,868	6,955,803	(7,534,469)	(1,558,126)	37,305	7,095,381
	<u>16,540,331</u>	<u>6,955,803</u>	<u>(7,534,469)</u>	<u>(1,558,126)</u>	<u>-</u>	<u>14,403,539</u>
Unrestricted Funds Group	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains £</i>	<i>Transfer £</i>	<i>Balance at 31 March 2019 £</i>
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	4,545,413	-	-	-	2,790,050	7,335,463
	<u>4,555,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,790,050</u>	<u>7,345,463</u>
General fund	12,800,825	6,596,286	(8,288,657)	876,464	(2,790,050)	9,194,868
	<u>17,356,238</u>	<u>6,596,286</u>	<u>(8,288,657)</u>	<u>876,464</u>	<u>-</u>	<u>16,540,331</u>
Charity	Balance at 1 April 2019 £	Income £	Expenditure £	Losses £	Transfer £	Balance at 31 March 2020 £
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	7,335,463	-	-	-	(37,305)	7,298,158
	<u>7,345,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,305)</u>	<u>7,308,158</u>
General fund	9,195,110	6,570,798	(7,193,378)	(1,558,126)	37,305	7,051,709
	<u>16,540,573</u>	<u>6,570,798</u>	<u>(7,193,378)</u>	<u>(1,558,126)</u>	<u>-</u>	<u>14,359,867</u>
Charity	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains £</i>	<i>Transfer £</i>	<i>Balance at 31 March 2019 £</i>
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	4,545,413	-	-	-	2,790,050	7,335,463
	<u>4,555,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,790,050</u>	<u>7,345,463</u>
General fund	12,871,325	6,237,027	(7,999,656)	876,464	(2,790,050)	9,195,110
	<u>17,426,738</u>	<u>6,237,027</u>	<u>(7,999,656)</u>	<u>876,464</u>	<u>-</u>	<u>16,540,573</u>

Honeyman fund

This fund was set up to provide the College with funds to purchase works of art.

Designated fund

This fund represents the net book value of the charity's fixed assets at the year-end (excluding the CASC and Macewen skills lab equipment which is covered by the William and Elizabeth Davies Restricted Fund).

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

28. Restricted funds

Group and Charity	Balance at 1 April 2019 £	Income £	Expenditure £	Losses £	Transfer £	Balance at 31 March 2020 £
Ethicon Fund	65,051	7,314	-	-	-	72,365
Lachlan McNeill Scholarship	8,153	1,348	-	-	-	9,501
Glasgow Lock Hospital Trust	480,053	49,477	-	-	-	529,530
The Aileen Lynn Bequest	121,515	4,577	(9,120)	(17,489)	-	99,483
David Murdoch Memorial Fund	19,608	2,872	-	-	-	22,480
Ritchie Trust Fund	652,743	24,586	-	(93,946)	-	583,383
Mr & Mrs Walker Trust Fund	123,384	19,406	-	-	-	142,790
Professor TC White Bequest	1,983,442	74,705	(229,513)	(285,468)	-	1,543,166
William and Elizabeth Davies Foundation Trust – Skills Centre Funding	91,781	200,000	-	-	-	291,781
NES Equipment Grant	5,159	-	-	-	-	5,159
Revalidation Project	13,054	-	-	-	-	13,054
Revalidation Helpdesk	16,798	-	-	-	-	16,798
Staff Benevolent Fund	1,408	60	(759)	-	-	709
Obesity Action Scotland	21,326	226,238	(189,962)	-	-	57,602
Innovation Fund	24,560	-	-	-	-	24,560
Diana Cawson Fund	53,000	-	-	-	-	53,000
Ben Walton Trust Fund	-	3,179	(4,658)	-	-	(1,479)
Cameron Lockie Fund	-	48	-	-	-	48
	<u>3,681,035</u>	<u>613,810</u>	<u>(434,012)</u>	<u>(396,903)</u>	<u>-</u>	<u>3,463,930</u>

The small negative balance in the Ben Walton Trust restricted fund is as a result of the inherent uncertainty in dividend income received in arrears of expenditure commitment timescales. The negative balance is expected to be reversed by income received in the following financial year. As the balance is small and temporary, no transfer from unrestricted funds has been made

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

28. Restricted funds (continued)

Group and Charity	Balance at 1 April 2018 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2019 £
Ethicon Fund	60,014	6,837	(1,800)	-	-	65,051
Lachlan McNeill Scholarship	11,893	1,260	(5,000)	-	-	8,153
Glasgow Lock Hospital Trust	433,803	46,250	-	-	-	480,053
The Aileen Lynn Bequest	113,744	3,646	(3,736)	7,861	-	121,515
David Murdoch Memorial Fund	16,923	2,685	-	-	-	19,608
Ritchie Trust Fund	610,397	18,219	(15,156)	39,283	-	652,743
Mr & Mrs Walker Trust Fund	105,243	18,141	-	-	-	123,384
Professor TC White Bequest	1,939,044	75,231	(193,042)	162,209	-	1,983,442
William and Elizabeth Davies Foundation Trust – Skills Centre Funding	205,131	-	(113,350)	-	-	91,781
NES Equipment Grant	5,159	-	-	-	-	5,159
Revalidation Project	13,054	-	-	-	-	13,054
Revalidation Helpdesk	16,798	-	-	-	-	16,798
Staff Benevolent Fund	1,991	-	(583)	-	-	1,408
Obesity Action Scotland	20,462	198,902	(198,038)	-	-	21,326
Innovation Fund	24,310	250	-	-	-	24,560
Diana Cawson Fund	53,000	-	-	-	-	53,000
	<u>3,630,966</u>	<u>371,421</u>	<u>(530,705)</u>	<u>209,353</u>	<u>-</u>	<u>3,681,035</u>

Ethicon Fund

This fund was provided to promote international goodwill in medicine and surgery by means of grants to assist the overseas travel of surgeons, or for such other purposes as the Council may from time to time determine.

Lachlan McNeill Scholarship

The fund was established to further knowledge in Ophthalmology. The favoured use is to provide funding to junior doctors for travel to events that could help expand their knowledge in their particular discipline.

Glasgow Lock Hospital Trust

This fund was provided to support:

- Research into venereal disease;
- Counselling and advertising on the prevention of venereal disease; and
- Such other purposes for the advancement of medical science as the Council may think fit.

The Aileen Lynn Bequest

This bequest from the late Aileen Lynn has enabled the College to establish a fund to be used in the field of cancer research. The Scholarship Committee will award small equipment grants of up to £5,000 each. One or two grants may be awarded each year dependent on the quality of submissions and the balance on the fund.

28. Restricted funds (continued)

The David Murdoch Memorial Fund

This fund was provided to support Scholarships to enable Fellows and Members of the College to travel to other medical centres in the United Kingdom or overseas in furtherance of their knowledge of cardiology.

Ritchie Trust Fund

Initially the Ritchie Trust Fund will support a Research Fellowship. As the Fund grows, it may be used to support training fellowships, travelling fellowships, visiting scholarships, travel grants or any other educational activity that the Scholarship Committee considers appropriate.

Mr & Mrs Walker Trust Fund

This fund was provided to support:

- The acquisition of literature relating to rheumatic diseases;
- A Lectureship in some subject relating to rheumatic diseases;
- A Scholarship or Scholarships (no subject specified); and
- Such other purposes as the Council may think fit.

Professor TC White Bequest

This fund was provided for the furtherance of postgraduate dental education and research.

William and Elizabeth Davies Foundation Trust

The College is the major beneficiary of the William and Elizabeth Davies Foundation Trust. In September 2009, the College received £525,910 from the Foundation Trust to fund an agreed programme of events in the financial years 2009/10 through to 2013/14. During the year to 31 March 2012, the Trust provided further funding of £350,000 towards specific College activities, including £275,000 towards the costs of the Clinical Anatomy Skills Centre. In the year to 31 March 2013, a further £725,000 was received to help fund the Clinical Anatomy Skills Centre collaboration with Glasgow University.

NES Equipment Grant

In March 2012, the College received £17,600 from NHS Education for Scotland to fund the purchase of equipment for skills based learning courses.

Revalidation Project

In January 2010, the College was awarded a grant of £80,000 from The Academy of Medical Royal Colleges to provide an e-system for validation and recertification of its Members and Fellows.

Revalidation Helpdesk

In August 2012, the College was awarded a grant of £20,409 from The Academy of Medical Royal Colleges to set a Help Desk programme to aid Fellows and Members through the process of revalidation.

Staff Benevolent Fund

In December 2012, the retiring President, Mr Ian Anderson, donated £3,697.50 to be used for the benefit of the College Staff.

Obesity Action Scotland

Obesity Action Scotland was established as an independent advocacy group in June 2015 and provides leadership and advocacy on preventing and reducing obesity and overweight in Scotland by raising awareness and understanding; identifying and pursuing prevention strategies and promoting healthy weight.

Innovation Fund

During 2016, this fund was established to assist College healthcare activities in areas such as Malawi and other developing countries.

Diana Cawson Fund

This fund was provided to establish the J MacDougall Travelling Fellowship along with funding Scholarships in Oral Pathology.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

28. Restricted funds (continued)

Ben Walton Trust Fund

In 2018 funds were received to provide resources for a biannual lecture on oral cancer care and also fund oral cancer care projects.

Cameron Lockie Fund

In 2015 a fund was established to cover the costs of the prize for the best Diploma in Travel Medicine student.

29 Analysis of net assets between funds	Endowment Funds	Unrestricted Funds	Restricted Funds	2020 Total
Group	£	£	£	£
Tangible fixed assets	-	7,354,939	-	7,354,939
Investments	2,220,559	8,759,413	2,757,700	13,737,672
Current assets	-	2,614,796	706,230	3,321,026
Creditors due in less than one year	-	(2,525,609)	-	(2,525,609)
Creditors due after more than one year	-	(1,800,000)	-	(1,800,000)
	<u>2,220,559</u>	<u>14,403,539</u>	<u>3,463,930</u>	<u>20,088,028</u>
	<i>Endowment Funds</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>2019 Total</i>
Group	£	£	£	£
Tangible fixed assets	-	7,415,934	-	7,415,934
Investments	2,540,024	12,382,620	3,154,235	18,076,879
Current assets	-	933,733	526,800	1,460,533
Creditors due in less than one year	-	(4,191,956)	-	(4,191,956)
Creditors due after more than one year	-	-	-	-
	<u>2,540,024</u>	<u>16,540,331</u>	<u>3,681,035</u>	<u>22,761,390</u>
Charity	Endowment Funds	Unrestricted Funds	Restricted Funds	2020 Total
	£	£	£	£
Tangible fixed assets	-	7,354,939	-	7,354,939
Investments	2,220,559	8,759,513	2,757,700	13,737,772
Current assets	-	2,509,210	706,230	3,215,440
Creditors due in less than one year	-	(2,463,795)	-	(2,463,795)
Creditors due after more than one year	-	(1,800,000)	-	(1,800,000)
	<u>2,220,559</u>	<u>14,359,867</u>	<u>3,463,930</u>	<u>20,044,356</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

29. Analysis of net assets between funds (continued)

Charity	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total £
Tangible fixed assets	-	7,415,934	-	7,415,934
Investments	2,540,024	12,382,720	3,154,235	18,076,979
Current assets	-	834,148	526,800	1,360,948
Creditors due in less than one year	-	(4,092,229)	-	(4,092,229)
Creditors due after one year	-	-	-	-
	<u>2,540,024</u>	<u>16,540,573</u>	<u>3,681,035</u>	<u>22,761,632</u>

30. Reconciliation of net expenditure to net cash flow from operating activities

	Group 2020 £	2019 £	Charity 2020 £	2019 £
Net expenditure for the year (as per the Statement of Financial Activities)	(2,673,362)	(597,610)	(2,717,276)	(667,868)
Adjustments for:				
Net loss/(gain) on investments	2,274,644	(1,254,429)	2,274,644	(1,254,429)
Loss on disposal of fixed assets	-	5,456	-	5,456
Depreciation charges	347,361	352,166	347,361	352,166
Dividends, interest and rents from investments	(596,616)	(582,164)	(596,616)	(582,164)
Decrease in stocks	7,366	6,319	7,366	6,319
(Increase)/decrease in debtors	(523,309)	(34,060)	(562,930)	94,067
(Decrease)/increase in creditors	(228,972)	659,795	(191,059)	579,761
Net cash used in operating activities	<u>(1,392,888)</u>	<u>(1,444,527)</u>	<u>(1,438,510)</u>	<u>(1,466,692)</u>

31. Analysis of net debt

	Balance at 1 April 2019 £	Cashflows £	Other non cash changes £	Balance at 31 March 2020 £
Group				
Cash	497,698	1,344,550	-	1,842,248
Cash equivalents	-	(362,625)	-	(362,625)
Debt due within one year	-	-	(200,000)	(200,000)
Debt due greater than one year	(2,000,000)	-	200,000	(1,800,000)
	<u>(1,502,302)</u>	<u>981,925</u>	<u>-</u>	<u>(520,377)</u>
	Balance at 1 April 2019 £	Cashflows £	Other non cash changes £	Balance at 31 March 2020 £
Charity				
Cash	435,502	1,298,928	-	1,734,430
Cash equivalents	-	(362,625)	-	(362,625)
Debt due within one year	-	-	(200,000)	(200,000)
Debt due greater than one year	(2,000,000)	-	200,000	(1,800,000)
	<u>(1,564,498)</u>	<u>936,303</u>	<u>-</u>	<u>(628,195)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

32. Lease commitments

	2020	<i>2019</i>
	£	£
Group and Charity		
Operating leases payable:p		
Within 1 year	6,720	<i>6,720</i>
Later than 1 year and not later than 5 years	9,520	<i>16,240</i>
	<u>16,240</u>	<u><i>22,960</i></u>

33. Pension

The charity operates a defined contribution scheme for the benefit of its employees. At 31 March 2020 £97,912 (2019 - £35,335) was payable to the administrators of the scheme. This balance is included in other creditors.

34. Related party transactions

The College President, Professor Jackie Taylor, is an employee of NHS Greater Glasgow & Clyde who have agreed that a proportion of her contracted sessions can be devoted to fulfilling her role as the College's President. During the year the College paid £52,195 (2019: £18,980) to NHS Greater Glasgow & Clyde as compensation for this commitment.