

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
Registered Charity Number: SC000847
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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PRESIDENT'S MESSAGE

It is a great pleasure to present this annual report and the financial statements for 2021/2022 to Fellows and Members.

The College is in good health, both in financial terms and in fulfilment of our charitable purpose. This is a remarkable achievement for a year in which the Covid-19 pandemic continued to affect all of our activities and made planning so difficult. The outstanding performance of College, against this challenging background, is largely due to the leadership provided by my predecessor and I wish to record here the gratitude of the whole College community to Professor Jacqueline Taylor for her term as President.

As I took up office in December 2021 it was clear that College's first priority should remain the delivery of education, training and assessment and that we should endeavour to achieve this while carefully stewarding our financial and human resources. We are doing so, despite the continued challenges of the pandemic and the current geo-political situation, as evidenced in this report and the accompanying financial statements. Of course, the activity recorded here would not be possible without the outstanding commitment of so many Fellows and Members, as educators, examiners and contributors to College governance, for which I thank all those involved and I also encourage others to come forward to play an active part in the life of our College.

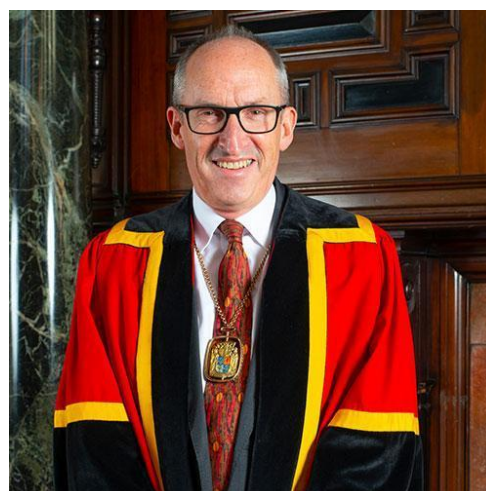
We continue to engage with our Fellows and Members worldwide, developing our community, and using our collective voice to speak up for our professions on the key areas of workforce, wellbeing and inclusion. Wherever in the world we practice healthcare these issues are important and perhaps never more so than now, following the devastating impact of the Covid-19 pandemic. College has taken an active role in health policy throughout the past year assisting in the recovery and renewal of health care systems worldwide.

This report also records investment in our infrastructure, notably in partnership with Greater Glasgow and Clyde Health Board in simulation facilities in 19 Blythswood Square; with the support of the William and Elizabeth Davies Trust in skills teaching facilities and in digital transformation for education; and to enhance our connection with Fellows and Members through our new CRM system. These investments are already bearing fruit.

I believe that this report demonstrates our College's continuity of charitable purpose underpinned by sound financial management. These are the foundations on which we will build our future activities.

Thanks for all of this activity are due to the College staff team, led by our CEO Dr Steve Graham, to the College Trustees and Council, and to so many of you who take an active role in the life of our College. Thank you all for your continued support.

Mr Michael J McKirdy, President



CEO'S MESSAGE

Resilience in uncertainty, delivering on our purpose

2021/22 continued to be a challenging year as we started to see how the post-pandemic world takes shape and what that means for our Fellows and Members across the world. We have worked through this disruption throughout the year, and we have continued to focus on our organisational purpose and our strategic priorities:

- Delivering an educational and assessment programme that meets the needs of our members and prospective members
- Engaging and connecting with our membership
- Raising our profile and influence across healthcare, public and political domains

Our College membership is the highest it has ever been and has grown to 15,683 healthcare professionals based in 96 countries. We were delighted to welcome 1,185 new Fellows and Members in 2021/22. On top of this, our membership retention rates nationally and internationally also continue to be our highest ever.

These are our best indicators to show that our College community is flourishing and has become even more of a diverse and globally facing institution over the past year. None of this would be possible without all those clinicians who serve as examiners, educators and board members, and as national and international advisors and our College staff, who have all had to continually adapt to changing circumstances throughout the pandemic. Despite the challenges we all have faced, I am indebted to all those who have contributed to the enduring success of our College

Our achievements span all areas of College activity, and I invite you to read more through our annual report.

- An increase in our College membership to 15,683 with sustained retention of members.
- Speaking up and speaking out on key health policy matters and consultations which impact patients and clinicians alike
- Examination activity continued to recover to pre-pandemic capacity levels during the year. Whilst most written exams have moved permanently to online formats, clinical exams began to operate in a face-to-face way, and this became easier as public health restrictions eased.
- Our educational programme whether face to face, hybrid or online continues to attract high attendance numbers and quality feedback across our flagship events and clinical skills programmes.
- Strong engagement with our local, national and international networks of college advisors
- Delivering on our College people strategy and becoming a more diverse, equitable and inclusive institution
- Resilience in our college finances and governance despite the external pressures placed on us by the pandemic and the emerging challenges in global economic conditions
- Recovery of our strong hospitality and events offer through 1599 Ltd.
- Continued investment in our digital and physical infrastructure, including the establishment of the new Healthcare Skills and Simulation Collaborative run through NHS Greater Glasgow & Clyde in our 19 Blythswood Square building.

As lockdown restrictions eased, we have also thankfully moved back to more face-to-face meetings and engagement activities with our membership and networks of local and regional advisors across the UK. After almost 2 years of Teams and Zoom meetings, it has been good to meet and greet so many people back in the College again.

Internationally, we have continued to develop our partnerships as travel restrictions have also gradually eased. Over 40% of our membership are based outside the UK and we are following through on our international strategy. We are pressing ahead with our memorandum of understanding with the Egyptian Government to promote and advance standards of surgical, medical, and dental care in Egypt and to facilitate the delivery of face-to-face assessments and examinations. A new joint examination centre for FRCS Ophthalmology in Cairo opened in June this year. We also have an equally strong and growing partnership with the College of Surgeons of Sri Lanka, and we are progressing our development work in India, Pakistan, Hong-Kong, China and the USA – our top 5 international countries by membership.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CEO's MESSAGE

Much of this work took place under the leadership of immediate past president Professor Jacqueline Taylor and our new President Mr Michael J McKirdy, who took up office officially in December 2021. In our Annual Report, you will see the outstanding work the College has undertaken and progressed seamlessly as we have changed Presidential terms. As we emerge from (hopefully) the worst of the pandemic, I am looking forward to working with Mike throughout his term as President.

Dr Steve Graham, Chief Executive Officer



TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

CHARITABLE OBJECTIVES AND ACTIVITIES

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

Healthcare professionals look to the College for training, education, assessment, support, and a voice that represents them. The College has set three strategic objectives to achieve this:

- To deliver an educational and assessment programme that meets the needs of our members and prospective members, enabling them to deliver the highest standards of care to their patients.
- To engage effectively with our members and prospective members wherever they may be in the world
- To significantly raise our profile across healthcare, public and political domains as an influencer of change.

The College Trustees, CEO, College Council and senior staff leadership team develop strategy and policies supported by annual operating plans, budgets and key outcome measures across our unrestricted and restricted funds to achieve our charitable purpose.

ACHIEVEMENTS AND PERFORMANCE

The public health restrictions in place during the Covid pandemic continued to cause significant disruption to the College's ability to carry out its core activities throughout the year. Surges in Covid cases from the Delta and Omicron variants meant that many planned face-to-face activities in education, assessment and membership engagement had to be either cancelled, re-scheduled or were compromised throughout the year, sometimes at very short notice as government guidance changed.

In setting the 2021/22 financial budget, the Trustees and CEO recognised this uncertainty in our planned income and expenditures. A planned operating deficit was approved which would be covered through College reserves.

Despite these challenges, the College's financial outturn is slightly more favourable than had been budgeted. College charitable funds remain strong and increased slightly over the year. Our operating deficit was controlled within budgeted parameters and our invested reserves made gains over the year as investment portfolios recovered across the world. This allowed the Trustees to strengthen the College balance sheet by reinvesting our free cash back into the investment portfolio for the long term, invest in our college physical and digital infrastructure, and at the same time, also reduce our bank borrowings with Santander.

MEMBERSHIP

At the end of the year, College membership stood at **15,683** fellows and members, **+3.1%** net growth on the previous year with an overall retention rate of **94.0%**. Our membership now covers 96 different countries nationally and internationally, and with the investments we have made in our digital capability, 93% of members are renewing their annual subscriptions online – leading to improved service and cash efficiency. All our membership and fellowship application processes are now online and over 60% of members have updated their personal membership dashboard, allowing us to improve our targeting of communications to them wherever they may be.

Our membership income of **£2.504M** for the year slightly exceeded budget. The net growth and strong retention rate in our total membership are significant achievements at a time when face to face engagement was severely curtailed and workforce pressures faced by all clinicians were unprecedented. These results highlight that we are progressing in line with our membership strategy and our strategic priority for meaningful engagement with our membership.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The split of membership our faculty and territory at 31.03.2022 was as follows:

Faculty	Membership		Territory	Membership	
Physicians	4,486	28.4%	Scotland	3,485	22.2%
Surgeons	5,610	35.5%	Rest of UK	5,328	34.0%
Dental Surgery	3,845	24.4%	International	6,870	43.8%
Travel Medicine	466	3.0%			
Podiatric Medicine	389	2.5%			
College	991	6.3%	TOTAL Membership	15,683	100%
<i>Note the above split totals 15,787. This is due to 104 individuals who have membership of more than one Faculty and are counted more than once</i>					

ENGAGEMENT

Over the past year, we have continued to focus on direct dialogue and engagement with our College Networks. The implementation of Microsoft Teams across the business has enabled us to deliver a regular programme of virtual engagement with our networks of 62 Regional Advisors, 42 International Advisors, and 50 College Tutors.

The increase in connectivity has also supported the recruitment and induction of new Advisors in India, Pakistan, Hong Kong and Egypt, alongside a number of key areas within the UK. These developments have helped the College better connect to our members where they live and work, providing an opportunity to share knowledge and learning as the profession rapidly adapted to deal with the pandemic. As travel restrictions have eased, we have also rekindled and developed a number of our strategic partnerships in India, Egypt, Sri Lanka, Malaysia, Hong-Kong and North America.

HERITAGE

We invest £165K in our college Heritage team annually and consistently show a high value return on this. As we emerged from public health restrictions, delivery and engagement with College heritage enabled physical and digital access to our amazing heritage collections. We provided access to over 4000 collection items in our refreshed library reading room, while increasing the number of digitised collections accessible on our website by 20%.

Our heritage exhibitions and collaborations allowed us to engage with our communities in new ways, exploring issues of wellbeing with our 'Words of Hope and Kindness' exhibition, and inclusion and diversity in our 'Admitting Women' installation. We were also a partner in the EDI in Scottish Heritage project, along with University of Strathclyde, during which we explored the history of the first South Asian doctors to connect with the College 150 years ago.

The team handled 542 enquiries throughout the year, generated 31,596 website views (+11% on prior year) and have 1,776 digitised collections now online. 680 attendees accessed a series of high-quality online and face to face events and 901 Heritage themed podcasts were downloaded.

VIRTUAL ADMISSIONS CEREMONIES

Our 2nd and 3rd Virtual Diploma Ceremony celebrations were held online in April 2021 and September 2021.

We were determined to ensure our new members, and those progressing to higher grades of membership and fellowship, would not miss out on their opportunity to celebrate their achievements and to feel that important connection which comes from being a member of our College.

Through our virtual admissions ceremonies, we welcomed **344** new members to the College and 7 honorary Fellows in 2021/22. The events were broadcast on YouTube and watched by 15,787 people across the world and reached more than 200,000+ viewers across our social media channels.

SUPPORTING ASSESSMENT

The exam format was established in 1876 and incorporated a written assessment, oral assessment, and clinical exam. The format has continued to evolve for more than 100 years, and candidates are still required to complete these assessments to allow their progression through to completion of training.

During 2020 and 2021, we have had to manage our way through significant disruption to examination activity, and a reduction in the number of candidates being able to sit these exams and a knock on effect in trainee progression. As we moved through 2021/22, written exams not only resumed, but were all delivered using secure online platforms, reducing travel and cost for trainees. As a multi-disciplinary College working with other Colleges, our team worked through several different online systems, delivering **23** written examinations diets to **788** candidates during the year. In addition, candidates of the College sat MRCP exams remotely with the Federation of Medical Royal Colleges.

Clinical examinations in the UK took place in line with COVID protocols and at reduced capacity but were unable to resume internationally. A total of **67** clinical examination days operated face-to-face, with examiners assessing **1,034** candidates. In addition, **15** clinical dental fellowship examinations were delivered in an online format, allowing 48 candidates to progress through the examination system.

Clinician time and availability remains a particular challenge as healthcare systems across the world address the aftermath from the pandemic. Despite these pressures, our College fellows and members continue to give their time generously to allow trainee progression. Approximately **870** examiner days were required to deliver the clinical examinations. In addition, many volunteer days were put into the question writing, standard setting and governance of written examinations.

As travel restrictions and local country public health restrictions eased, International examinations began during this financial year, allowing delivery to recommence in May 2022.

The assessment team and clinicians worked together during this financial year to generate assessment income of £2.70m, a rise of £1.2M from the prior year.

SUPPORTING EDUCATION AND TRAINING

The College education programme felt the brunt of disruption and cancellations due to short-notice changes in Covid restrictions. **148 educational events** were delivered during 2021/22, ranging from webinars to post-graduate diploma courses. The College programme spanned all disciplines, formats and career stages, attracting **6,445 delegates** to live (in-person or online) events. Significant numbers accessed educational resources at times to suit them, particularly fitting around increased clinical workloads. Hybrid events became commonplace, offering our membership the choice of interacting with colleagues live or online, allowing many events to become more inclusive and international than ever before.

16 specialist conferences provided lifelong learning for our fellows and members, with our high-quality clinical facilities hosting **71 cadaveric and procedural courses**. Recognising the importance of non-clinical skills for trainees, **31 non-clinical courses** offered teaching, interview and management skills. The Faculty of Travel Medicine demonstrated innovation in action, adding to its portfolio of education with two new academic courses, one of which is an 18-month **Postgraduate Diploma in Travel Medicine**.

With COP26 providing a spotlight on Glasgow and a chance to discuss sustainability in healthcare, several of our events included related content, including a trainee 'Dragon's Den' event allowing future ideas to be pitched to our experts. Recognising our College commitment to move towards a net-zero carbon position, our hybrid delivery allowed international speakers to take part in College events, in the UK and around the world, without any air miles being travelled.

College fellows and members continue to generously give their time to develop and deliver educational content, despite enormous pressures in their clinical lives. During 2021/22 over **950 educator days** were required to deliver the educational offering referred to above. This number is testament to the dedication of our educators and their constant drive to deliver the very best education to all members and prospective members.

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Coupled with the commitment of the educational staff team, this allowed us to increase income by +£0.332M (60%) to **£0.886M** during this financial year, allowing us slowly to get back towards pre-pandemic levels.

VOLUNTEERING

The work of College would not be possible without the tireless contributions of both our clinical and non-clinical volunteers. As discussed elsewhere in this report, activity in 2021/22 slowly rebuilt back to previous year levels. Despite the exceptional challenges faced by our Members and Fellows, their commitment to the work of College enabled us to adapt and deliver activity where possible.

In support of our Membership and Engagement activity our volunteers gave around **1,300** hours and for Education around **7,000** hours during the year. A total of **1,478** examiner days were donated to the College during the year. This is broken down as follows:

Faculty	Examiner Days 2021/22	Examiner Days 2020/21	Examiner Days 2019/20	Examiner Days 2018/19	Examiner Days 2017/18
Dental	563	353	450	476	395
Medical	496	195	746	865	830
Pod Med	0	0	0	8	31
Surgical	419	222	705	788	553
Travel Med	0	0	0	54	17
Total	1,478	770	1,901	2,191	1,826

A VOICE FOR THE PROFESSION

We have continued to invest in external affairs, and to grow our impact and influence on behalf of our membership. In 2021-22, we submitted responses to **45 consultation requests** covering a wide range of topics impacting healthcare delivery, with a particular focus on workforce and work-related pressures

- Met with Cabinet Secretary for Health and Social Care, Shadow Secretary for Health and Social Care and Convenor of the Scottish Parliament's Health, Social Care and Sport Committee.
- Published our Holyrood election manifesto for the 2021 Scottish Parliament elections which successfully called for an expansion of medical training places.
- Called on the UK and Scottish Governments to develop a fully resourced, strategic workforce strategy for the NHS to tackle chronic workforce issues.
- Published the annual census of UK Physicians in partnership with the other medical royal colleges.
- Deployed a new 'Speaking up for the profession' section on the website.

WORKFORCE

The pandemic has highlighted that workforce issues are the greatest threat to the delivery of quality healthcare. Staff shortages, unfilled posts and experienced clinicians leaving the health service were all issues raised routinely by the College pre-pandemic. The pandemic has exacerbated these issues and our already stretched and exhausted workforce have come under even greater pressure. This year, we have consistently asked governments in all devolved nations to take action to protect the workforce, our patients and the healthcare system itself.

Over the past year we have spoken on multiple platforms on this issue – through direct lobbying and communication with UK and devolved government and through media interviews and publications.

- We successfully called for an expansion of medical training places in our Holyrood election manifesto in May 2021, with the Scottish Government confirming an additional 100 places every year until the end of this Scottish Parliament in 2025.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

- We have continually raised the issue of pension terms and conditions impacting the number of senior clinicians leaving the profession and called for similar action to prevent this.
- We have called for a long-term budget for Northern Ireland so strategic decisions can be made to better serve the workforce and patients of Northern Ireland.

WELLBEING

Historic workforce issues are having a drastic impact on workforce wellbeing. The Covid-19 pandemic has shone a light on the immense pressure clinicians have faced before, during and now in the recovery after the pandemic. Too many of our colleagues are exhausted, stressed, burning out and questioning their futures. The current pressures and expectations placed on the workforce in the UK and across the world are unsustainable.

As a College, we have spoken out on the need for a healthy workforce to drive our recovery from the pandemic. We have engaged with government and featured on many media interviews to raise our concerns, and to ensure the voice of our profession is heard. It is only through recovering our health service and our workforce that we can renew it.

- Over the last year, we have worked hard to support our members' wellbeing. This has continued the development of a dedicated wellbeing section on our website with links to resources, signposting of support services, and provision of online education focused around wellbeing.
- We launched our Rest & Food campaign, which highlighted the issue of staff lacking access to basic facilities at work and the impact this has on wellbeing.
- We have lobbied vigorously for government action to deliver mental health and wellbeing support for the NHS workforce as part of an NHS workforce strategy for all parts of the UK.

EQUALITY, DIVERSITY AND INCLUSION

The College Equality, Diversity and Inclusion (EDI) Policy sets out our commitment to EDI and was revised in late 2020. A new Inclusion Advisory Group (IAG) was also established to oversee the implementation of the Policy, and to monitor and report on progress of the EDI Action Plan. The last 12 months has focused on putting the new policy into practice.

- Creation of a detailed EDI Action Plan underpinning the 20 commitments set out in the policy.
- Regular monitoring of progress against the Action Plan. At March 2022 of the 20 commitments which were made;
 - 11 complete
 - 6 partially complete
 - 3 no action taken
- Greater insight into the diversity of College membership and College employees realised because of EDI surveys undertaken. Response rates of 20% and 95% respectively were recorded. These insights will shape our future actions.
- EDI has now been established as a standing item at meetings of College Trustees and College Council

An external review of our EDI policy, practices and progress was conducted by Charlotte Sweeney Associates who reported; *'The College have demonstrated a real passion to continue their EDI journey and are committed to making real and lasting change to the College landscape to embrace and reflect the professions that they represent'*.

The programme to embed EDI good practice into all College activities is ongoing. One key area of focus in the next period will be to achieve greater diversity in College Boards and Committees which better reflects and represents our global membership community.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

PEOPLE STRATEGY

As a member centred organisation, our vision is to be inspiring and agile with an open, inclusive and transparent culture that enables our people; our employees, trustees, Council members and clinical volunteers, to be the best version of their professional selves. As a result, our people will be well equipped to contribute to the growth, retention, and positive experience of our membership, deliver our strategic objectives and role-model our values.

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With 5 strategic areas of focus; Recruitment and Onboarding; Reward, Recognition and Retention, Learning and development, Wellbeing and HR Processes and Procedures, a detailed action plan was created, monitored and measured during the course of the year. Key areas of progress include;

- Successful implementation of Employee Reward and Recognition Scheme, based on the principles of affordability, transparency, consistency, recognising both what an employee delivers and how s/he does this and providing opportunity to increase salary because of high performance both individually and across College
- Introduction of 'Total Reward' enabling employees to see the total value of their employment, not simply salary.
- Creation of an Induction Programme for all new employees, trustees, Council members and clinical volunteers.
- Investment in training specifically mental health awareness, EDI, management and appraisal skills training.
- Investment in wellbeing including enhancements to the Health and Wellbeing Policy
- Review and update of all HR Processes and Procedures, assisting managers to deliver greater consistency across College.

INVESTMENT

The College has invested significantly in its Digital Transformation over the course of the past 3 years. The largest single investment of which is £0.544M in our new CRM capability (Oomi). The project was completed to time, scope and budget, and signed off with the College Trustees in August 2021.

We completed the project with Phase II covering Events going live in May 2021 (Phase I covering Membership went live in December 2020) and all fully integrated with our financial management systems and our web platforms.

This integrated approach has ensured that the new CRM capability has already delivered significant benefits to our members through a self-service portal, to our cost base, our processing efficiency and responsiveness with applications and membership support. We are on track to exceed the benefits case from the investment estimated at £1.86M over the lifetime of the software.

Throughout the year, we have also continued to invest in a digital first approach to our marketing and communications, through our web, social media and CRM capability, we have steadily improved member self-service and the overall user experience. By adopting this strategy, we can demonstrate significant improvements in levels of interaction and engagement across all our communications channels.

- 479,000 users to our College Website during the year, 22% up on prior year
- 132,000 (28%) users visiting have completed a transaction (register, log in, book an event etc.)
- 272,000 new users visited our Website during the year

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- 16,922 members have logged into their personal dashboards at least once over the past year, and 4,141 have updated their personal dashboards
- Top countries of user – UK (30%), India (28%), Egypt (15%), Pakistan (7%)
- Top 5 user interests - Membership benefits and applications, Events and Course, Exams, Dashboard / self-service, E-learning

With grateful support from a £160K donation from the Davies Charitable Trust in December 2021, we also invested **£200K** to replace and upgrade much of our surgical skills training equipment in our CASC and MacEwen facilities.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL OVERVIEW

KEY HIGHLIGHTS

- Challenging and changing environment for the College working through the public health restrictions in play from the Covid pandemic
- Total charitable funds holding steady at **£28.254M**, a slight improvement on prior year and an excellent outcome in the circumstances
- Recovery in charitable income levels to **£6.095M** and growth in total consolidated income to **£7.273M**, positive progress and heading back towards pre-pandemic levels
- Investment portfolio gains of **£0.8M** to **£17.531M**
- A consolidated deficit before gains on investments of **(£0.641M)**, well within budgeted parameters excluding in year exceptional items. A positive improvement of **+£0.442M** on the prior year where we bore the brunt of the financial impact of the pandemic.
- Total movement in group cash balances of **£1.888M**, primarily due to reinvestment of **£1.799M**. **£0.763M** reinvested back into the investment portfolio, **£0.650M** paid to reduce net borrowings with Santander taking our loan balance down to **£1.350M** and **£0.387M** invested in fixed assets.

DETAILED SUMMARY

CONSOLIDATED STATEMENT OF COLLEGE FINANCIAL ACTIVITIES	2022	2021
	£'000	£'000
Unrestricted Funds	21,658	21,673
Endowment Funds	2,711	2,576
Restricted Funds	3,885	3,814
TOTAL CHARITABLE FUNDS	28,254	28,063

Total charitable funds of the College increased slightly to **£28.254M** over the year. We managed our way through the pandemic restrictions and were able to steadily grow our charitable income back towards pre-pandemic levels. The surges in Covid cases from the Delta and Omicron variants and changes at short notice in public health restrictions placed significant pressure and uncertainty on our clinicians and staff. Nonetheless, our planned operating deficit for the year was controlled within budget, and we reinvested our excess cash holdings (held as contingency during the pandemic) into our digital and physical assets and to also reduce our net borrowings.

The most significant change in the consolidated financial results is the growth in income of **+£1.734M** against the prior year as we were able to undertake much more face-to face activities as lockdown restrictions generally eased. Not surprisingly, most of this income growth (**+£1.669M**) came from increased charitable activities and our ability to run more education and assessment programmes. We were also able to realise annual rental income from NHS GG&C following the refurbishment of 19 Blythswood Square in July 2021 and to also restart trading and generate income of **£82K** through 1599 Ltd. Investment dividend income of **£0.457M** was also slightly ahead of expectations as investment values and dividends steadily improved over the course of the year.

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FOR THE YEAR ENDED 31 MARCH 2022

TOTAL COLLEGE INCOME	2022		2021		Variance	
	£'000	% of total	£'000	% of total	£'000	% variance
Donations and legacies	520	7%	712	13%	(192)	(27%)
Charitable activities	6,095	84%	4,426	80%	1,669	38%
Other trading activities	179	2%	(4)	0%	183	
Investment income	457	6.5%	388	7%	69	18%
Other Income	23	0.5%	17	0%	6	35%
TOTAL CONSOLIDATED INCOME	7,274		5,539		1,735	31%

CONSOLIDATED RESULTS

Given the uncertainty faced at the start of the financial year, the College Trustees approved an operating deficit of (£0.571M) for the year. Our actual outturn was a deficit of (£0.648M) which is a sizeable improvement on the previous year and a strong set of results considering these results also include two exceptional items on Federation VAT (£67K) and changes in our policy on the rate of ICT Software asset depreciation (£110K), both of which were not budgeted.

CONSOLIDATED COLLEGE RESULTS	2022	2021	Variance	
	£'000	£'000	£'000	%
Total Income	7,274	5,540	1,734	+31%
Total Expenditure	7,916	6,625	1,291	+19%
Operating Deficit (before movement in investments)	(642)	(1,085)	443	+41%
Net gains in Investments	833	2,973	(2,140)	

The (£0.642M) reported deficit is covered by +£0.833M of gains on our investments, resulting in our total charitable funds increasing to **£28.254M** at the year end.

CHARITABLE ACTIVITIES

The College's principal source of income remains its charitable activity, with 80% of its revenues being generated by membership subscriptions, examination fees and education activity. The College's charitable income grew by **+£1.417M** against the prior year, almost all of this being driven by our ability to undertake more Education and Assessment activity as public health and travel restrictions eased throughout the year.

CONSOLIDATED INCOME FROM CHARITABLE ACTIVITIES	2022		2021		Variance	
	£'000	% of total	£'000	% of total	£'000	%
Membership	2,501	43%	2,382	54%	119	5%
Assessment	2,708	42%	1,490	34%	1,218	82%
Education	886	15%	554	13%	332	60%
TOTAL INCOME FROM CHARITABLE ACTIVITIES	6,095		4,426		1,669	38%

Membership numbers of 15,683 (+3.1% growth) and retention rates of 94.0% are strong indicators of the College's value, relevance and ability to attract and retain its members across the UK and Internationally. Our Membership income has grown steadily over the past 5 years, and it grew by a further +£0.119M over the

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course of the year to **£2.501M**, in line with budget. This is significant achievement at a time when face to face engagement was severely curtailed and workforce pressures faced by all clinicians were unprecedented.

For the same reasons, income from our College Assessment and Education against also grew substantially against the prior year. Education income increased to **£0.886M** and Assessment income grew to **£2.708M**. Although these income figures were both behind budgeted levels due to the short notice restrictions put in place from the Delta and Omicron variants, we also saved on direct cost expenditure meaning that our overall margin figures across Education and Assessment were slightly ahead of budget.

CHARITABLE EXPENDITURE

Total charitable expenditure increased by +£1.158M over the year to £7.701M as face-to-face activity in education, assessment and other external events was slowly able to grow throughout the year. These costs were in line with the approved budget of **£7.590M** as they also include the two exceptional items set out above (£179K).

CHARITABLE EXPENDITURE	Direct Costs 2022 £'000	Direct Costs 2021 £'000	Staff Costs 2022 £'000	Staff Costs 2021 £'000	Support costs 2022 £'000	Support Costs 2021 £'000	TOTAL 2022 £'000	TOTAL 2021 £'000
Membership	428	412	668	627	960	891	2,056	1,930
Assessment	727	297	569	521	1,135	989	2,431	1,807
Education	266	79	772	741	909	1,050	1,947	1,870
Other charitable activities	244	91	530	519	493	325	1,267	935
TOTAL CHARITABLE EXPENDITURE	1,665	879	2,539	2,408	3,497	3,255	7,701	6,542

BALANCE SHEET

Total funds on the Consolidated balance sheet grew slightly to £28.254M over the course of the year. The main balance sheet movements were growth in the College's investment values increasing to **£17.531M** (+£1.595M) and reducing our cash holdings by **£1.888M** from £2.165M down to £0.276M.

CONSOLIDATED BALANCE SHEET	2022 £'000	2021 £'000	Variance £'000
Fixed assets	30,667	29,392	1,275
Current assets	2,163	2,980	(817)
Liabilities	(4,576)	(4,309)	(267)
Net assets	28,254	28,063	191
Endowment funds	2,711	2,576	135
Unrestricted funds	21,658	21,673	(15)
Restricted funds	3,885	3,814	71
Total funds	28,254	28,063	191

We had built up relatively high cash reserves during 2020/21 as contingency cover due to the unprecedented amount of uncertainty and change we were facing at the time. As our level of uncertainty reduced mid 2021/22, we used this cash to reinvest (£0.763M) in the college's investment portfolio for the long term and to reduce

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

our debt facility by (£0.650M) with Santander taking the balance of our repayment loan down to £1.350M. We also invested +£0.387M overall in our digital and physical assets (MacEwen Skills simulation suite) alongside grant funding from the Davies Charitable trust.

This is the second year the College has recognised the value of its Heritage Assets on the balance sheet. On the completion of the insurance revaluation exercise, College reviewed the requirements of the FRS 102 Charities SORP and concluded that a change in accounting policy was required in the accounts to 31st March 2021. At 31st March 2022, College's Heritage Assets were valued at **£6.087M**. There were no material reasons to change this valuation during the year.

RESERVES POLICY

The College has built up considerable funds as an institution in pursuit of its charitable purpose. These funds 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 Financial Statements. 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.

College's Trustees are in the process of reviewing the purpose and use of its reserves (Unrestricted, Endowed and Restricted) with the aim of maximising their contribution to fulfilling College's charitable objectives and aims in the coming years. A particular area of focus is the utilisation of College's reserves to develop new clinical fellowships through our surgical, medical and dental faculties.

INVESTMENT POLICY

The Finance and 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 the Executive Board and the 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.

For many years College has not invested in tobacco, and is currently reducing its holdings in fossil fuel stocks with a view to being fully divested of fossil fuel stocks in the near future, in support of College's aim of being carbon net zero by 2045.

At 31 March 2022, the portfolio was valued at **£17,531M**, an increase of **£1.595M** on the **£15.936M** valuation at 31 March 2021. The increase in value was in line with general market movements in the year and reinvestment of £0.763M of cash during the year.

RISK MANAGEMENT

The Trustees reviewed College's Risk Management policy during the year and updated College's Risk Register, with key risks faced by College and appropriate mitigating actions being reviewed regularly by the Audit and Risk Committee and the Executive Board. The principal risk facing College currently is the availability of clinicians to deliver exams and education events as a result of increasing pressure on NHS staff resource.

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 several 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.

At its AGM in December 2020, College amended its governance arrangements following a detailed internal and legal review. The principal changes were to the roles and functions of Council and the Executive Board and the replacement of the Investment Committee and the Finance Audit and Risk Committee with the Finance and Investment Committee and the Audit and Risk Committee.

As regards the roles and functions of Council and the Executive Board, the complementary and mutually supportive working relationship between Council and the Executive Board is now defined as follows:

- Council remains the constitutional representative body and the voice of College's membership in terms of what is set out in the College Royal Charter Confirmation Act from 1962 and is responsible for articulating strategy and the future development of the role of College.
- The Executive Board comprises the elected Office Bearers from Council (equating to ~30% of Council membership as it is currently constituted through College bye-laws and regulations) plus the two lay Chairs of the new Finance and Investment Committee and the Audit and Risk Committee.
- The members of the Executive Board are the trustees of College. As the trustee body, the Executive Board's role is to ensure College fulfils its charitable, fiduciary and legal responsibilities under charitable law.
- By the nature of how College undertakes its work, the Executive Board will continue to involve Council in its activity through consultation and discussion.

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 2022**

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:

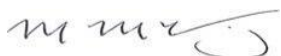
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the FRS 102 Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures 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 1 November 2022 signed on their behalf by:



.....
Mr Michael J McKirdy
President



.....
Mr Drummond Mansbridge
Honorary Treasurer

CHARITY INFORMATION

Charity registration number	SC000847
Registered office	232 – 242 St Vincent Street Glasgow G2 5RJ
Independent auditor	Chiene+Tait 61 Dublin Street Edinburgh EH3 6NL
Bankers	Santander 301 St. Vincent Street Glasgow G2 5NB
Solicitors	Burness Paul LLP Aurora Building 120 Bothwell Street Glasgow G2 7JL
Investment Managers	Rathbone Brothers Plc George House 50 George Square Glasgow G2 1EH

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CHARITY INFORMATION

TRUSTEES (Executive Board)

Prof Jacqueline Taylor FRCP(Glasg)	President	to 3 Dec 2021
Mr Michael J McKirdy FRCSGlasg(Gen Surg)	President	from 3 Dec 2021
Prof Abhay Rane FRCSGlasg(Urol)	Vice President (Surgical)	
Mr John Scott FRCSGlasg(Plast)	Vice President (Surgical)	
Prof Andrew Gallagher FRCP(Glasg)	Vice President (Medical)	
Prof Adrian Stanley FRCP(Glasg)	Vice President (Medical)	
Dr Andrew Edwards FDS RCPS(Glasg) FRCSGlasg(OMFS)	Vice President (Dental)	
Dr Rajan Madhok FRCP(Glasg)	Honorary Treasurer	to 30 Sept 2021
Mr Drummond Mansbridge FRCSGlasg(Tr&Orth)	Honorary Treasurer	from 30 Sept 2021
Dr Richard Hull FRCP(Glasg)	Honorary Secretary	
Dr Morven McElroy FRCP(Glasg)	Honorary Librarian	
Dr Roddy Neilson FRCP(Glasg)	Registrar	
Mrs Jane Chiodini FFTM RCPS(Glasg)	Dean of the Faculty of Travel Medicine	to 27 Oct 2021
Dr Sam Allen FFTM RCPS(Glasg), FRCP(Glasg)	Dean of the Faculty of Travel Medicine	from 27 Oct 2021
Mrs Christine Skinner FFPM RCPS(Glasg)	Dean of the Faculty of Podiatric Medicine	
Mr Mark Allison	Chair of the Audit and Risk Committee	from 18 May 2021
Mr Stuart McCallum	Chair of the Finance and Investment Committee	from 18 May 2021

COUNCIL

Council membership comprises the Trustees and Executive Board members noted above plus the following non-trustee Council members and Advisory Co-optees:

NON-TRUSTEES (Council Members)

Dr A Forgie FDS RCPS(Glasg)	Hon Secretary, Faculty of Dental Surgery	to 19 Nov 2021
Dr Christine Goodall FDS RCPS(Glasg)	Dean Elect, Faculty of Dental Surgery	from 19 Nov 2021
Prof M Walters FRCP(Glasg)	Ordinary Councillor	
Dr Graham Curry FRCP(Glasg)	Ordinary Councillor	
Dr G Tait FRCP(Glasg)	Ordinary Councillor	
Dr M Oo FRCP(Glasg)	Ordinary Councillor	to 3 Dec 2021
Dr Paul Keeley FRCP(Glasg)	Ordinary Councillor	from 3 Dec 2021
Dr A Laws MRCPS(Glasg)	Ordinary Councillor <10 yrs GMC reg	to 3 Dec 2021
Dr Nauman Arif Jadoon MRCPS(Glasg)	Ordinary Councillor <10 yrs GMC reg	from 3 Dec 2021
Prof C Mackay FRCS(Glasg)	Ordinary Councillor	to 3 Dec 2021
Mr Bilal Jamal FRCS(Glasg)	Ordinary Councillor	from 3 Dec 2021
Mr S Mannion FRCS(Glasg)	Ordinary Councillor	
Mr J Hannay FRCS(Glasg)	Ordinary Councillor	to 3 Dec 2021
Mr Hrishi Joshi FRCSGlasg(Urol)	Ordinary Councillor	from 3 Dec 2021
Mr D Mansbridge FRCSGlasg(Tr&Orth)	Ordinary Councillor	to 30 Sept 2021
Mr R Anderson MRCS(Glasg)	Ordinary Councillor <10 yrs GMC reg	
Dr S McNally FRCSGlasg(Gen Surg)	Regional Councillor Scotland North	
Mr J Camilleri-Brennan FRCS(Glasg)	Regional Councillor Scotland East	
Dr H Wilson FRCP(Glasg)	Regional Councillor Scotland West	
Dr D Tripathi FRCP(Glasg)	Regional Councillor Worldwide (excl. Scotland)	
Dr C Kelly FRCP(Glasg)	Regional Councillor UK (excl. Scotland)	
Mr A Hon-Chi Leung FRCSGlasg(Tr&Orth)	Regional Councillor Worldwide (excl. Scotland)	to 3 Dec 2021
Dr Saira Saleem	Regional Councillor Worldwide excl. Scotland)	from 3 Dec 2021

CHARITY INFORMATION

Major A Sharma FRCS(Glasg)	Regional Councillor UK (excl. Scotland)	
NON-TRUSTEES (Advisory Co-optees)		
Dr E Crighton FRCP(Glasg)	Faculty of Public Health Medicine	to 3 Dec 2021
Dr Lorna Willocks FRCP(Glasg)	Faculty of Public Health Medicine	from 3 Dec 2021
Prof G McKay FRCP(Glasg)	Faculty of Pharmaceutical Medicine	
Mrs E Condie	Chair, Lay Advisory Board	
Prof H Eteiba FRCP(Glasg)	International Director	
Prof J Bagg FDS RCPS(Glasg)	Global Health Director	to 3 Dec 2020
Dr Lynne Meekison FRCP(Glasg)	SAS representative	
Mrs Alison Lannigan FRCS(Glasg)	HOPE Foundation Director	
Dr S Chitnis FRCS(Glasg)	Co-Chair, Trainees' Committee	to 24 Aug 2021
Dr L Ishak	Co-Chair, Trainees' Committee	from 24 Aug 2021
Dr J Cathcart MRCPS(Glasg)	Co-Chair, Trainees' Committee	

COLLEGE SENIOR MANAGEMENT TEAM

Dr S Graham	Chief Executive Officer	
Dr L Irvine	Deputy CEO and Director of Membership and Engagement	
Mr K Osborne	Director of Finance, Operations & ICT Services	
Mrs F Winter	Director of Education and Assessment	
Dr E Mulcahy	Head of Corporate Communications and Marketing	to 30 Sep 2021
Ms Aileen Caskie	Interim Head of Corporate Communications and Marketing	from 10 Jan 2022
		to 1 Jun 2022
Ms Margaret McFadzean	Interim Director of Strategic Marketing	from 1 Jul 2022
Mr I Grinbergs	Head of ICT and Digital Transformation	to 28 Jan 2022

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2022**

Opinion

We have audited the financial statements of the Royal College of Physicians and Surgeons Glasgow (the parent charity) and its subsidiary (the group) for the year ended 31 March 2022 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 2022 and of their 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 regulation 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2022**

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 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 (Annual Report); or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of The Executive Board

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Executive Board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Our audit procedures were designed to respond to risks of material misstatement in the accounts, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2022**

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of senior management and the Executive Board;
- review of minutes of Executive Board meetings throughout the year;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

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

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



Chiene + Tait LLP

Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date – 4 November 2022

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

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Note	Endowment Funds 2022 £	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Endowment Funds 2021 £	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £
Income and endowments from:									
Donations and legacies	5	-	456,934	63,238	520,172	150	349,148	363,200	712,498
Charitable activities	6	-	-	6,095,211	6,095,211	-	-	4,425,980	4,425,980
Other trading activities	7	-	-	178,909	178,909	-	-	(3,553)	(3,553)
Investments	8	-	147,940	309,145	457,085	-	125,569	262,403	387,972
Other		-	-	22,621	22,621	-	-	16,983	16,983
Total income		-	604,874	6,669,124	7,273,998	150	474,717	5,065,013	5,539,880
Expenditure on:									
Raising funds	9	-	-	214,269	214,269	-	-	81,420	81,420
Charitable activities	10,11	-	508,837	7,192,703	7,701,540	-	503,815	6,039,229	6,543,044
Total expenditure		-	508,837	7,406,972	7,915,809	-	503,815	6,120,649	6,624,464
Surplus/(deficit) before movements in investments		-	96,037	(737,848)	(641,811)	150	(29,098)	(1,055,636)	(1,084,584)
Net (losses)/gains on investments		134,564	134,895	563,031	832,490	355,339	356,214	2,261,637	2,973,190
Net (expenditure)		134,564	230,932	(174,817)	190,679	355,489	327,116	1,206,001	1,888,606
Transfers between funds	27,28	-	(160,000)	160,000	-	-	23,437	(23,437)	-
Other Recognised Gains									
Gains on revaluation of fixed assets		-	-	-	-	-	-	2,917,330	2,917,330
Net movement in funds	4	134,564	70,932	(14,817)	190,679	355,489	350,553	4,099,894	4,805,936
Reconciliation of funds									
Total funds brought forward	26,27,28	2,576,048	3,814,483	21,672,783	28,063,314	2,220,559	3,463,930	17,572,889	23,257,378
Total funds carried forward	26,27,28	2,710,612	3,885,415	21,657,966	28,253,993	2,576,048	3,814,483	21,672,783	28,063,314

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 2022

	Note	Endowment Funds 2022	Restricted Funds 2022	Unrestricted Funds 2022	Total Funds 2022	Endowment Funds 2021	Restricted Funds 2021	Unrestricted Funds 2021	Total Funds 2021
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	5	-	456,934	63,238	520,172	150	349,148	363,200	712,498
Charitable activities	6	-	-	6,095,211	6,095,211	-	-	4,425,980	4,425,980
Other trading activities	7	-	-	96,882	96,882	-	-	-	-
Investments	8	-	147,940	309,145	457,085	-	125,569	262,403	387,972
Other		-	-	13,582	13,582	-	-	16,983	16,983
Total income		-	604,874	6,578,058	7,182,932	150	474,717	5,068,566	5,543,433
Expenditure on:									
Raising funds	9	-	-	130,773	130,773	-	-	22,115	22,115
Charitable activities	10,11	-	508,837	7,192,703	7,701,540	-	503,815	6,039,229	6,543,044
Total expenditure		-	508,837	7,323,477	7,832,313	-	503,815	6,061,344	6,565,159
Surplus/(deficit) before movements in investments		-	96,037	(745,418)	(649,381)	150	(29,098)	(992,778)	(1,021,726)
Net (losses)/gains on investments		134,564	134,895	563,031	832,490	355,339	356,214	2,261,637	2,973,190
Net (expenditure)		134,564	230,932	(182,387)	183,109	355,489	327,116	1,268,859	1,951,464
Transfers between funds	27,28		(160,000)	160,000	-	-	23,437	(23,437)	-
Other Recognised Gains									
Gains on revaluation of fixed assets		-	-	-	-	-	-	2,917,330	2,917,330
Net movement in funds	4	134,564	70,932	(22,387)	183,109	355,489	350,553	4,162,752	4,868,794
Reconciliation of funds									
Total funds brought forward	26,27,28	2,576,048	3,814,483	21,691,969	28,082,500	2,220,559	3,463,930	17,529,217	23,213,706
Total funds carried forward	26,27,28	2,710,612	3,885,415	21,669,582	28,265,609	2,576,048	3,814,483	21,691,969	28,082,500

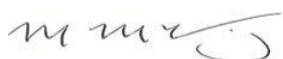
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes form part of these financial statements.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET AS AT 31 MARCH 2022

	Note	Group 2022	Group 2021	Charity 2022	Charity 2021
		£	£	£	£
Fixed assets:					
Tangible assets	16	7,049,676	7,369,041	7,049,676	7,369,041
Heritage assets	17	6,086,680	6,086,680	6,086,680	6,086,680
Investments	18	17,531,078	15,936,004	17,531,178	15,936,104
Total fixed assets		30,667,434	29,391,725	30,667,534	29,391,825
Current assets:					
Stocks	20	11,181	8,543	11,181	8,543
Debtors	21	1,182,973	805,491	1,224,589	798,791
Cash at bank and in hand	22	969,304	2,166,585	872,125	2,157,098
Total current assets		2,163,458	2,980,619	2,107,895	2,964,432
Liabilities:					
Creditors falling due within one year	23	(3,376,899)	(2,509,030)	(3,309,820)	(2,473,757)
Net current assets/(liabilities)		(1,213,441)	471,589	(1,201,925)	490,675
Creditors falling due after one year	25	(1,200,000)	(1,800,000)	(1,200,000)	(1,800,000)
Total net assets		28,253,993	28,063,314	28,265,609	28,082,500
The funds of the charity:					
Endowment funds	26	2,710,612	2,576,048	2,710,612	2,576,048
Unrestricted funds	27	21,657,966	21,672,783	21,669,582	21,691,969
Restricted income funds	28	3,885,415	3,814,483	3,885,415	3,814,483
Total charity funds		28,253,993	28,063,314	28,265,609	28,082,500

The financial statements were approved by the Trustees on 1 November 2022 and signed on their behalf by:



Mr Michael J McKirdy
President



Mr Drummond Mansbridge
Honorary Treasurer



Mr Mark Allison
Chair: Audit & Risk Committee

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 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Cash flows from operating activities:					
Net cash used in operating activities	30	(545,516)	115,171	(633,208)	213,502
Cash flows from investing activities:					
Dividends, interest and rents from investments		457,085	387,972	457,085	387,972
Purchase of property, plant and equipment		(387,329)	(593,006)	(387,329)	(593,006)
Proceeds from investments		848,100	1,082,381	848,100	1,082,381
Purchase of investments		(1,610,684)	(307,523)	(1,610,684)	(307,523)
Net cash provided by investing activities		(692,828)	569,824	(692,828)	569,824
Cash flows from financing activities:		(650,000)	-	(650,000)	-
Repayments of borrowing		(650,000)	-	(650,000)	-
Net cash used by financing activities					
Change in cash and cash equivalents in the year		(1,888,344)	684,995	(1,976,036)	783,326
Cash and cash equivalents at 1 April		2,164,618	1,479,623	2,155,131	1,371,805
Cash and cash equivalents at 31 March		276,274	2,164,618	179,095	2,155,131
Cash and cash equivalents comprise the following:					
Cash at bank and in hand		969,304	2,166,585	872,125	2,157,098
Bank overdraft		(693,030)	(1,967)	(693,030)	(1,967)
Cash and cash equivalents at 31 March		276,274	2,164,618	179,095	2,155,131

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 post pandemic disruption and the wider economic challenges of rising inflation and the likelihood of the UK entering a recession in the coming months, 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.
- Subscriptions are paid in advance for a period of 12 months. Only the portion of the subscription which relates to the current year is recognised as income with the portion relating to the following year being included in the balance sheet in deferred income.
- 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 note 12.

h) 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.

i) 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)

j) 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.

k) 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.

l) 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	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.

m) Heritage assets

Heritage assets are stated at their most recent valuation. They are revalued periodically. In addition they are reviewed annually for any material impairments.

Valuations are conducted by reputable valuers with experience and expertise relevant to the classes of heritage assets held by College.

2. Accounting policies (continued)

m) Heritage assets (continued)

College holds four categories of heritage asset, its Art Collection, its Library, other heritage assets including its Museum Collection, and its archive.

Of the four categories of heritage asset, College only has a reliable valuation for its Art Collection, Library and other heritage assets. Its archive is therefore not recognised in the financial statements.

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 include 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.

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.

2. Accounting policies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

This is stated after charging:

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ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7. Income from other trading activities

	2022 Total £	2021 Total £
Group		
Letting	96,882	-
1599 event income	82,027	(3,553)
	<u>178,909</u>	<u>(3,553)</u>
	2022 Total £	2021 Total £
Charity		
Letting	96,882	-
	<u>96,882</u>	<u>-</u>

All income from other trading activities in 2022 and 2021 is unrestricted.

8. Investment income

	Restricted Funds £	Unrestricted Funds £	2022 Total £
Group and Charity			
Dividends	147,940	309,119	457,059
Interest	-	26	26
	<u>147,940</u>	<u>309,145</u>	<u>457,085</u>
	Restricted Funds £	Unrestricted Funds £	2021 Total £
Group and Charity			
Dividends	125,569	262,371	387,940
Interest	-	32	32
	<u>125,569</u>	<u>262,403</u>	<u>387,972</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Expenditure on raising funds

Group	2022 Total £	2021 Total £
Letting of College accommodation	66,082	-
1599 Limited commercial activities	83,496	55,680
Investment management fees	64,691	22,115
	<u>214,269</u>	<u>77,795</u>
Charity	2022 Total £	2021 Total £
Letting of College accommodation	66,082	-
Investment management fees	64,691	22,115
	<u>130,773</u>	<u>22,115</u>

All expenditure on raising funds in 2022 and 2021 relates to unrestricted funds.

10. Expenditure on charitable activities

Group and Charity	Restricted Funds £	Unrestricted Funds £	2022 Total £
Membership	-	2,056,124	2,056,124
Assessment	211,501	2,220,344	2,431,845
Education	297,335	1,649,832	1,947,167
Other charitable activities	-	1,266,404	1,266,404
	<u>508,836</u>	<u>7,192,704</u>	<u>7,701,540</u>
Group and Charity	Restricted Funds £	Unrestricted Funds £	2021 Total £
Membership	271,913	1,657,169	1,929,082
Assessment	-	1,807,831	1,807,831
Education	231,902	1,638,304	1,870,206
Other charitable activities	-	935,924	935,924
	<u>503,815</u>	<u>6,039,229</u>	<u>6,543,044</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Expenditure on charitable activities

Group and Charity	Direct Costs £	Staff Costs £	Support Costs (Note 12) £	2022 Total £
Membership	428,014	668,188	959,922	2,056,124
Assessment	727,478	569,035	1,135,332	2,431,845
Education	266,256	771,856	909,055	1,947,167
Other charitable activities	243,965	529,948	492,491	1,266,404
	<u>1,665,713</u>	<u>2,539,027</u>	<u>3,496,800</u>	<u>7,701,540</u>

Group and Charity	Direct Costs £	Staff Costs £	Support Costs (Note 12) £	2021 Total £
Membership	411,653	626,721	890,708	1,929,082
Assessment	297,077	521,716	989,038	1,807,831
Education	79,116	740,731	1,050,360	1,870,207
Other charitable activities	91,149	519,709	325,066	935,924
	<u>878,995</u>	<u>2,408,877</u>	<u>3,255,172</u>	<u>6,543,044</u>

12. Support and Governance Costs

Group and Charity	2022 Total £	2021 Total £
Staff costs	1,115,965	1,066,531
Property	320,173	192,743
ICT	368,577	474,070
Other costs	711,122	865,769
Depreciation	594,900	394,540
	<u>3,110,737</u>	<u>2,993,653</u>
Governance		
Trustee expenses	1,257	947
Staff costs	232,323	197,407
Audit Fees	14,250	24,060
Legal Fees	59,832	13,753
Other	78,402	25,352
	<u>386,064</u>	<u>261,519</u>
	<u>3,496,801</u>	<u>3,255,172</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Staff costs and numbers

Staff costs were as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	3,281,158	3,187,135	3,228,282	3,153,690
Social security costs	294,141	281,887	289,401	276,261
Other pension costs	259,447	247,767	255,266	244,765
	<u>3,834,746</u>	<u>3,716,789</u>	<u>3,772,949</u>	<u>3,674,716</u>

	Group		Charity	
	2022	2021	2022	2021
	No	No	No	No
Average monthly number of employees during the period	<u>123</u>	<u>129</u>	<u>123</u>	<u>129</u>

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

	Group		Charity	
	2022	2021	2022	2021
	No	No	No	No
£60,001 - £70,000	1	2	1	2
£70,001 - £80,000	-	1	-	1
£80,001 - £90,000	1	-	1	-
£90,001 - £100,000	2	1	2	1
£110,001 - £120,000	-	1	-	1
£130,001 - £140,000	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 £544,516 (2021 - £467,907).

14. Trustees remuneration

No trustees received any remuneration in the year (2021: £nil). Travel and hotel costs amounting to £1,257 (2021: £947) were reimbursed to 3 (2021: 5) Trustees.

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 (2021 - None).

15. Government grants

College received a grant from the Scottish Government Public Health Division of £230,000 (2021: £239,018) for the purpose of supporting and developing Obesity Action Scotland (OAS). OAS was established in 2015 to provide clinical leadership and independent advocacy on preventing and reducing overweight and obesity in Scotland. It is hosted by the College on behalf of the Academy of Medical Royal Colleges.

College also received £62,138 of grants from HMRC under the Coronavirus Job Retention Scheme (2021: £363,200) towards the employment costs of eligible individuals who agreed to being 'furloughed' and were temporarily not working or not working their hours due to the Coronavirus related restrictions during the year.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Tangible fixed assets

Group and Charity	Freehold land & buildings £	Fixtures and fittings £	IT equipment £	IT software £	Plant & equipment £	Total £
Cost						
As at 1 April 2021	6,775,448	904,165	279,994	1,370,785	175,678	9,506,070
Additions	-	90,375	216,817	80,137	-	387,329
Disposals	-	(109,330)	(21,110)	(430,237)	-	(560,677)
As at 31 March 2022	6,775,448	885,210	475,701	1,020,685	175,678	9,332,722
Depreciation						
As at 1 April 2021	668,380	836,588	169,462	403,740	58,859	2,137,029
Charge for the year	212,884	31,590	40,751	298,154	11,521	594,900
Disposals	-	(109,330)	(21,110)	(318,443)	-	(448,883)
As at 31 March 2022	881,264	758,848	189,103	383,451	70,380	2,283,046
Net book value						
As at 31 March 2022	5,894,184	126,362	286,598	637,234	105,298	7,049,676
As at 31 March 2021	6,107,068	67,577	110,532	967,045	116,819	7,369,041

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Heritage Assets

Group and Charity

	Library	Art Collection	Other Heritage Assets	Total
	£	£	£	£
Valuation at 1 April 2021 and 31 March 2022	5,044,350	661,600	380,730	6,086,680

College owns a number of historical, scientific and artistic assets held principally for their contribution to knowledge and culture. Those assets for which College has a reliable valuation have been recognised as heritage assets and are described below.

Library

The College 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 and a half set of the world renowned 'The Birds of North America' by Audubon.

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.

Other Heritage Assets

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.

Other Assets:

College owns a variety of other heritage assets including antique furniture, badges of office, ceramics, silver, coins and memorabilia.

In addition College retains the College Archive which dates from the first Minute Book in 1602. College has been unable to obtain a reliable valuation of its Archive. The archive contains papers relating to physicians, surgeons and dentists with connections to the College.

Management of Heritage Assets

The College's heritage assets span over 6 centuries and are an excellent resource for exploring the history of medicine and the history of the city of Glasgow. Many items from its collections have been digitised and are available to view online. College's collections have obtained full museum accreditation status.

College's heritage assets are managed by a dedicated team with experience and expertise in managing historic collections. Heritage assets are kept securely in environments appropriate to ensure their condition does not degrade.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Listed investments at fair value				
Equities	16,922,464	15,528,529	16,922,464	15,528,529
Fixed rate securities	608,614	407,475	608,614	407,475
Unlisted investments at cost				
Investment in subsidiary (note 19)	-	-	100	100
	<u>17,531,078</u>	<u>15,936,004</u>	<u>17,531,178</u>	<u>15,936,104</u>

Listed investments

	2022	2021
	£	£
Group and Charity		
Market value at 1 April	15,936,004	13,737,672
Additions at cost	1,610,684	307,523
Disposals at opening book value	(724,287)	(882,303)
Unrealised movement in market value	708,677	2,773,112
Market value at 31 March	<u>17,531,078</u>	<u>15,936,004</u>
Historical cost at 31 March	<u>10,132,845</u>	<u>9,344,886</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 are 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 have no material investment holdings in markets subject to exchange controls or trading restrictions.

The group and charity manage 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 do 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

	2022 £	2021 £
Turnover	82,027	(3,553)
Cost of sales and administration costs	(83,495)	(54,108)
Loss before tax	(1,468)	(57,661)
Tax refund received in year	9,039	-
Retained in subsidiary	7,571	(57,661)
The assets and liabilities of the subsidiary were:		
Current assets	145,100	16,271
Current liabilities	(156,614)	(35,356)
Net liabilities	(11,514)	(19,085)
Aggregate share capital and reserves	(11,514)	(19,085)

20. Stock

	Group and Charity	
	2022 £	2021 £
Goods for sale	11,181	8,543

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

21. Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	183,380	89,859	136,497	87,588
Accrued income	681,287	280,517	681,287	276,088
Other debtors	92,570	327,925	92,570	327,925
Taxation	-	-	-	-
Prepayments	225,736	107,190	224,699	107,190
Amounts owed by group undertakings	-	-	89,536	-
	1,182,973	805,491	1,224,589	798,791

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Cash at bank and in hand	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash at bank and in hand	969,304	2,166,585	872,125	2,157,098
	<u>969,304</u>	<u>2,166,585</u>	<u>872,125</u>	<u>2,157,098</u>
23. Creditors: Amounts falling due within one year				
	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loan	150,000	200,000	150,000	200,000
Bank overdraft	693,030	1,967	693,030	1,967
Trade creditors	410,403	18,272	394,917	7,661
Other creditors	456,641	355,379	456,641	342,868
Social security and other taxes	109,525	95,957	107,802	93,919
Deferred income (note 24)	1,119,986	1,107,809	1,073,068	1,099,862
Accruals	437,314	729,646	434,362	727,396
Amounts owed to group undertakings	-	-	-	84
	<u>3,376,899</u>	<u>2,509,030</u>	<u>3,309,820</u>	<u>2,473,757</u>

Included in Other Creditors is a balance of £265,699 (2021: £307,028) relating to the Livingstone Fellowship, an award funded by the Scottish Government and administered by the College to support physicians and surgeons in training from Malawi and Zambia to undertake a year's Speciality training in the NHS in Scotland.

24. Deferred income	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Balance at 1 April	1,107,809	578,080	1,099,862	557,899
Released in the year to income	(1,057,013)	(551,413)	(1,049,066)	(539,179)
Received in the year	1,063,465	1,081,142	1,022,272	1,081,142
Balance at 31 March (note 23)	<u>1,114,261</u>	<u>1,107,809</u>	<u>1,073,068</u>	<u>1,099,862</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	
	2022 £	2021 £	2022 £	2021 £
Bank loan	<u>1,200,000</u>	<u>1,800,000</u>	<u>1,200,000</u>	<u>1,800,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

Group and Charity

Amounts are due within the following periods:

	2022 £	2021 £
Within one year	150,000	200,000
Between one and two years	150,000	200,000
Between two and five years	1,050,000	1,600,000
	1,350,000	2,000,000

The bank loan is due to be fully repaid by October 2024. The Trustees are confident that College will have sufficient liquidity to repay the loan when it falls due. The rate of interest payable on the outstanding loan is calculated as the Bank of England Base Rate plus 1.9795%. There are no outstanding charges on College's assets in relation to this bank loan.

26. Endowment funds

Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Gains £	Balance at 31 March 2022 £
Permanent endowments					
Ethicon Fund	225,215			11,765	236,980
Lock Hospital Trust	1,523,593			79,592	1,603,185
Mr & Mrs Walker Trust	597,602			31,218	628,820
Ben Walton Trust fund	98,229			5,124	103,353
	2,444,639	-	-	127,699	2,572,338
Expendable endowments					
Lachlan McNeill	41,496			2,168	43,664
David Murdoch Memorial	88,440			4,620	93,060
Cameron Lockie Fund	1,473			77	1,550
	131,409	-	-	6,865	138,274
	2,576,048	-	-	134,564	2,710,612
	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Losses £</i>	<i>Balance at 31 March 2021 £</i>
Permanent endowments					
Ethicon Fund	194,147			31,068	225,215
Lock Hospital Trust	1,313,417			210,176	1,523,593
Mr & Mrs Walker Trust	515,164			82,438	597,602
Ben Walton trust fund	84,549	150		13,530	98,229
	2,107,277	150	-	337,212	2,444,639
Expendable endowments					
Lachlan McNeill	35,772			5,724	41,496
David Murdoch Memorial	76,240			12,200	88,440
Cameron Lockie Fund	1,270			203	1,473
	113,282	-	-	18,127	131,409
	2,220,559	150	-	355,339	2,576,048

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 2022

27. Unrestricted Funds Group	Balance at 1 April 2021 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2022 £
Honeyman fund	10,000					10,000
Designated assets fund	13,398,940					13,398,940
	13,408,940	-	-	-	-	13,408,940
General fund	8,263,843	6,669,124	(7,406,972)	563,031	160,000	8,249,026
	21,672,783	6,669,124	(7,406,972)	563,031	160,000	21,657,966
Unrestricted Funds Group	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Losses £</i>	<i>Transfer £</i>	<i>Balance at 31 March 2021 £</i>
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	10,467,508	-	-	2,917,330	14,102	13,398,940
	10,477,508	-	-	2,917,330	14,102	13,408,940
General fund	7,095,381	5,065,013	(6,120,649)	2,261,637	(37,539)	8,263,843
	17,572,889	5,065,013	(6,120,649)	5,178,967	(23,437)	21,672,783
Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2022 £
Honeyman fund	10,000					10,000
Designated assets fund	13,398,940					13,398,940
	13,408,940	-	-	-	-	13,408,940
General fund	8,283,029	6,578,058	(7,323,477)	563,031	160,000	8,260,642
	21,691,969	6,578,058	(7,323,477)	563,031	160,000	21,669,582
Charity	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Losses £</i>	<i>Transfer £</i>	<i>Balance at 31 March 2021 £</i>
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	10,467,508	-	-	2,917,330	14,102	13,398,940
	10,477,508	-	-	2,917,330	14,102	13,408,940
General fund	7,051,709	5,068,566	(6,061,344)	2,261,637	(37,539)	8,283,029
	17,529,217	5,068,566	(6,061,344)	5,178,967	(23,437)	21,691,969

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 2022

27. Unrestricted funds (continued)

Transfers between funds

In the year, £160,000 was transferred from the William and Elizabeth Davies Foundation Trust Restricted Fund to General Funds. This transfer was made in respect of £199,200 of fixed asset additions which the William and Elizabeth Davies Foundation Trust part funded through a £160,000 grant made during the year. In the prior year, £23,437 was transferred to the Hope Foundation Restricted Fund from Unrestricted Funds in order to formally separate grants and donations received by the College specifically to further the aims of College's Hope Foundation.

28. Restricted funds

Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2022 £
Ethicon Fund	75,148	6,459	-			81,607
Lachlan McNeill Scholarship	10,511	1,190	(5,000)			6,701
Glasgow Lock Hospital Trust	566,620	43,698				610,318
The Aileen Lynn Bequest	113,211	3,310	(9,734)	6,029		112,816
David Murdoch Memorial Fund	24,633	2,537	(2,000)			25,170
Ritchie Trust Fund	663,211	19,409	-	35,352		717,972
Mr & Mrs Walker Trust Fund	157,338	17,140	-			174,478
Professor TC White Bequest	1,612,312	51,342	(244,606)	93,514		1,512,562
William and Elizabeth Davies Foundation Trust – Skills Centre Funding	396,781	160,000			(160,000)	396,781
NES Equipment Grant	5,159	-				5,159
Revalidation Project	13,054	-				13,054
Revalidation Helpdesk	16,798	-				16,798
Staff Benevolent Fund	709	-				709
Obesity Action Scotland	64,718	261,469	(211,501)			114,685
Innovation Fund	24,560	-				24,560
Diana Cawson Fund	53,000	10,000				63,000
Ben Walton Trust Fund	909	3,318	(3,000)			1,227
Cameron Lockie Fund	84	42				126
Hope Foundation	15,727	19,308	(28,350)			6,685
Heritage Project Grants	-	5,651	(4,645)			1,006
	<u>3,814,483</u>	<u>604,873</u>	<u>(508,836)</u>	<u>134,895</u>	<u>(160,000)</u>	<u>3,885,415</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

28. Restricted funds (continued)

Group and Charity	Balance at 1 April 2020 £	Income £	Expenditure £	Losses £	Transfer £	Balance at 31 March 2021 £
Ethicon Fund	72,365	5,483	(2,700)	-	-	75,148
Lachlan McNeill Scholarship	9,501	1,010	-	-	-	10,511
Glasgow Lock Hospital Trust	529,530	37,090	-	-	-	566,620
The Aileen Lynn Bequest	99,483	2,809	(5,000)	15,919	-	113,211
David Murdoch Memorial Fund	22,480	2,153	-	-	-	24,633
Ritchie Trust Fund	583,383	16,474	(30,000)	93,354	-	663,211
Mr & Mrs Walker Trust Fund	142,790	14,548	-	-	-	157,338
Professor TC White Bequest	1,543,166	43,578	(221,373)	246,941	-	1,612,312
William and Elizabeth Davies Foundation Trust – Skills Centre Funding	291,781	105,000	-	-	-	396,781
NES Equipment Grant	5,159	-	-	-	-	5,159
Revalidation Project	13,054	-	-	-	-	13,054
Revalidation Helpdesk	16,798	-	-	-	-	16,798
Staff Benevolent Fund	709	-	-	-	-	709
Obesity Action Scotland	57,602	239,018	(231,902)	-	-	64,718
Innovation Fund	24,560	-	-	-	-	24,560
Diana Cawson Fund	53,000	-	-	-	-	53,000
Ben Walton Trust Fund	(1,479)	2,388	-	-	-	909
Cameron Lockie Fund	48	36	-	-	-	84
Hope Foundation	-	5,130	(12,840)	-	23,437	15,727
	<u>3,463,930</u>	<u>474,717</u>	<u>(503,815)</u>	<u>356,214</u>	<u>23,437</u>	<u>3,814,483</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 2022

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.

Hope Foundation

The Hope Foundation is the fund through which College makes charitable donations with the aim of making a positive difference to the health of people living in challenging circumstances where access to quality healthcare is, for whatever reason, limited. The Hope Foundation funds have been donated by members, family and friends of the College. Decisions on awarding grants are made by the Hope Foundation Board, which is made up of both College members and lay advisors. Administration support is provided at nil cost by College staff.

Transfers between funds

In the year, £160,000 was transferred from the William and Elizabeth Davies Foundation Trust Restricted Fund to General Funds. This transfer was made in respect of £199,200 of fixed asset additions which the William and Elizabeth Davies Foundation Trust part funded through a £160,000 grant made during the year. In the prior year, £23,437 was transferred to the Hope Foundation Restricted Fund from Unrestricted Funds in order to formally separate grants and donations received by the College specifically to further the aims of College's Hope Foundation.

29. Analysis of net assets between funds	Endowment Funds	Unrestricted Funds	Restricted Funds	2022 Total
Group	£	£	£	£
Tangible fixed assets	-	7,049,676	-	7,049,676
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,710,612	12,477,116	2,343,350	17,531,078
Current assets	-	621,393	1,542,065	2,163,458
Creditors due in less than one year	-	(3,376,899)	-	(3,376,899)
Creditors due after more than one year	-	(1,200,000)	-	(1,200,000)
	<u>2,710,612</u>	<u>21,657,967</u>	<u>3,885,415</u>	<u>28,253,993</u>
	<i>Endowment Funds</i>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>2021 Total</i>
Group	£	£	£	£
Tangible fixed assets	-	7,369,041	-	7,369,041
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,576,048	10,777,710	2,582,246	15,936,004
Current assets	-	1,748,382	1,232,237	2,980,619
Creditors due in less than one year	-	(2,509,030)	-	(2,509,030)
Creditors due after more than one year	-	(1,800,000)	-	(1,800,000)
	<u>2,576,048</u>	<u>21,672,783</u>	<u>3,814,483</u>	<u>28,063,314</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

29. Analysis of net assets between funds (continued)

Charity	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	2022 Total £
Tangible fixed assets	-	7,049,676	-	7,049,676
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,710,612	12,477,216	2,343,350	17,531,178
Current assets	-	565,830	1,542,065	2,107,895
Creditors due in less than one year	-	(3,309,820)	-	(3,309,820)
Creditors due after more than one year	-	(1,200,000)	-	(1,200,000)
	<u>2,710,612</u>	<u>21,669,582</u>	<u>3,885,415</u>	<u>28,265,609</u>

Charity	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	2021 Total £
Tangible fixed assets	-	7,369,041	-	7,369,041
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,576,048	10,777,810	2,582,246	15,936,104
Current assets	-	1,732,195	1,232,237	2,964,432
Creditors due in less than one year	-	(2,473,757)	-	(2,473,757)
Creditors due after more than one year	-	(1,800,000)	-	(1,800,000)
	<u>2,576,048</u>	<u>21,691,969</u>	<u>3,814,483</u>	<u>28,082,500</u>

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Net expenditure for the year (as per the Statement of Financial Activities)	190,679	1,888,606	183,109	1,951,464
Adjustments for:				
Net loss/(gain) on investments	(832,490)	(2,973,190)	(832,490.00)	(2,973,190)
Loss on disposal of fixed assets	111,794	184,364	111,794	184,364
Depreciation charges	594,900	394,540	594,900	394,540
Dividends, interest and rents from investments	(457,085)	(387,972)	(457,085)	(387,972)
Decrease in stocks	(2,638)	76	(2,638)	76
(Increase)/decrease in debtors	(377,482)	664,668	(425,798)	673,600
(Decrease)/increase in creditors	226,806	344,079	195,000	370,620
Net cash used in operating activities	<u>(545,516)</u>	<u>115,171</u>	<u>(633,208)</u>	<u>213,502</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

31. Analysis of net debt

	Balance at 1 April 2021 £	Cashflows £	Balance at 31 March 2022 £
Group			
Cash	2,166,585	(1,197,281)	969,304
Cash equivalents	(1,967)	(691,063)	(693,030)
Debt due within one year	(200,000)	50,000	(150,000)
Debt due greater than one year	(1,800,000)	600,000	(1,200,000)
	<u>164,618</u>	<u>(1,238,344)</u>	<u>(1,073,726)</u>
	Balance at 1 April 2021 £	Cashflows £	Balance at 31 March 2022 £
Charity			
Cash	2,157,098	(1,284,973)	872,125
Cash equivalents	(1,967)	(691,063)	(693,030)
Debt due within one year	(200,000)	50,000	(150,000)
Debt due greater than one year	(1,800,000)	600,000	(1,200,000)
	<u>155,131</u>	<u>(1,326,036)</u>	<u>(1,170,905)</u>

32. Lease commitments

	2022 £	2021 £
Group and Charity		
Operating leases payable		
Within 1 year	4,680	4,680
Later than 1 year and not later than 5 years	1,170	5,850
	<u>5,580</u>	<u>10,530</u>

33. Pension

The charity operates a defined contribution scheme for the benefit of its employees. At 31 March 2022 £37,459 (2021 - £1,359) was payable to the administrators of the scheme. This balance is included in other creditors.

34. Related party transactions

During the year, the current College President and the immediate past President were employees of NHS Greater Glasgow & Clyde. With the agreement of their employer and College a proportion of their contracted sessions were devoted to fulfilling their roles as College President, and in the case of the current President, President elect prior to December 2021. During the year College paid £34,574 (2021: £nil) to NHS Greater Glasgow & Clyde relating to the current President and £15,169 (2021: £64,669) relating to the immediate past President as compensation for these commitments.

35. Federation of the Royal Colleges of Physicians of the UK

The Federation of the Royal Colleges of Physicians of the UK (the Federation), based in the UK and with international reach, is a collaboration between the three UK royal colleges of physicians: us, the Royal College of Physicians, and the Royal College of Physicians of Edinburgh. The Federation delivers the MRCP(UK) exams and training to physicians throughout the UK and internationally.

The collaboration is governed by a Memorandum of Agreement which sets out each College's entitlement to or responsibility for any Federation surpluses, deficits, assets and liabilities.

Included in the College's Balance Sheet is a creditor of £51,105 (2021: *debtor of £110,437*) being the balance due to the Federation at 31 March 2022 for College's share of historic Federation VAT liabilities net of the amount due to College from the Federation for its outstanding share of the Federation's surplus during the preceding 12 months. This creditor is included in Other Creditors.

The Balance Sheets in these Financial Statements do not include consolidated balances from Federation as they are not of a sufficiently material value to warrant their inclusion. The balances not included are College's share of Federation's fixed assets, £145,300 (2021: *£100,244*), and pension liability relating to Federation staff, £6,240 (*£66,191*).