

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
Registered Charity Number: SC000847
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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PRESIDENT'S MESSAGE

The last year has been a time of both challenge and opportunity for our College, our Fellows and Members.

While the UK has continued to recover from the impact of the COVID-19 pandemic, we have experienced the effects of difficult economic conditions and a substantial increase in the cost of living. At the same time, healthcare professionals have remained under intense workforce pressures.

Despite the ongoing challenges, our College community has responded with confidence, commitment and resilience.

We have continued to build back our education offering post-pandemic, utilising the technology we have all become so familiar with to offer both online and hybrid events.

We have returned to many of our international assessment centres, ensuring our exam centres provide clinicians with the 'gold standard' postgraduate qualifications they and their patients deserve.

And we have brought our community together, sharing ideas, best practice, influencing policy, and driving up standards for our patients in the UK and around the globe.

With rota gaps, lengthy waiting lists and an ageing population, the task for our colleagues on the frontline cannot be understated. As the UK's only multidisciplinary Royal College, we have a distinctive voice in healthcare and we are continuing to use it to speak up for the professions.

This has included calling for a long-term workforce plan which I'm pleased to say, has been published by the UK Government in 2023, following the Scottish Government's workforce plan of 2022. We have also spoken up on wellbeing support for our overworked and over-stretched community; we have continued to draw attention to issues of inclusivity, equality and diversity; and we have looked for solutions to health inequalities, which have been further exacerbated by the global pandemic.

None of this work would be possible without the support of nearly 16,000 Fellows and Members who play an active part in College life, through membership and volunteering. This includes our examiners, our UK and international advisors, our trainees committee members, our mentors, our policy network and College Council. I am incredibly grateful for their hard work and valued support.

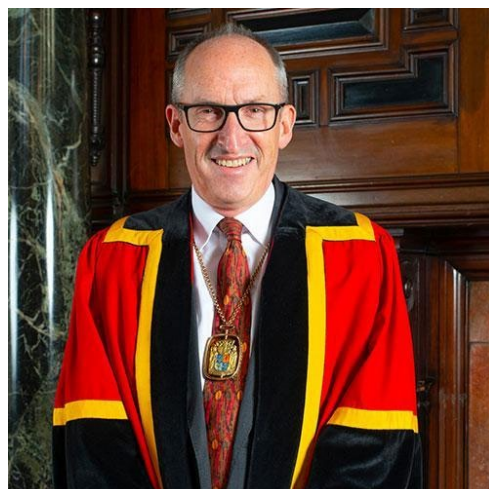
In the year ahead, we will continue to build an influential global community that enables our members to develop the skills, knowledge and influence to improve professional healthcare standards worldwide.

I would like to reaffirm my commitment to our Members and Fellows here in the UK and internationally that we will continue to listen, to hear, and to respond to your needs, to help you respond to those of your patients.

We will redouble our efforts to build a more sustainable healthcare system, through education, training and advocacy, recognising that the climate emergency has a major impact on global health – and that healthcare is a major contributor to climate change.

In these difficult economic times careful financial stewardship of the College is imperative and, as this annual report confirms, the College faces challenges in delivering our activities within our budget. We have noted our auditor's concerns regarding current annual deficits, and that while we have a strong reserves position to cover these in the short term, I would like to assure Fellows and Members that the College Trustees and Council are engaged in a series of activities to return College finances to a balanced position as soon as is practicable.

Mr Michael J McKirdy, President



CEO'S MESSAGE

As has been the case for many organisations, the year beginning 1st April 2022 and ending March 31st 2023 has not been without challenge. We started the year emerging from the last of the Covid pandemic restrictions and entered a period of almost constant economic turmoil and uncertainty, with massive pressures on healthcare workforces and systems in the UK and Internationally as all struggled with recovery of service. This situation was exacerbated with major inflationary cost pressures brought on following the pandemic, and the consequences of BREXIT and the Ukrainian war.

Despite these challenges, there are many achievements of which the organisation can be rightly proud. We have grown our global membership to over 15,800 members and fellows in 93 countries worldwide. We have a thriving and active network of over 150 national and international advisors.

The College has supported our members and fellows through over 40 consultation responses throughout the year and our policy work on workforce related issues, well-being and retention helped shape some of the thinking on the UK and Scottish NHS Workforce recovery plans.

The digital transformation of the organisation has continued and resulted in a more connected membership with online digital exams and hybrid educational and training events, and almost all our membership support being delivered online through our enhanced service portal.

Over 5,000 attendees participated in our education programme of 147 skills courses, training events and conferences. These were delivered both face-to-face and online as hybrid events. We also delivered 136 examiner days to 1,397 candidates as we restarted our international exam activity as travel restrictions eased across the world.

We are committed to improving our equality, diversity, and inclusivity as an organisation through our Inclusivity Action Group. Our 20-point inclusivity action plan formed part of our submission with our intercollegiate medical and surgical partners to the GMC in September 2022 as part of our work on closing the gap on inclusivity and differential attainment.

We have committed to becoming a carbon net zero organisation by 2045 in line with the Scottish Government's national policy. Our Scottish clinical leadership fellow and Sustainability action group developed a strategy and 12-point action plan on behalf of College council. Our plan sets out the role we will take in addressing the Climate emergency in advocacy, awareness, education, and direct work on our own carbon footprint. Early work includes a 50% reduction in our hydrocarbon investment holdings, a new carbon conscious travel policy and a capital programme over the next 3 years to reduce the carbon footprint from our buildings infrastructure.

Financially, we have grown our charitable income by +£0.774M to £6.89M over the course of the year back towards pre-pandemic levels. Despite headline inflation topping +10%, we held our governance and support costs to <+2.0% over the year and our direct staffing costs at +4.0%. We delivered our budget for 2022/23 and have a 3-year financial strategy to move to a position of surplus by 2025/26. We have noted our auditor's concerns regarding current annual deficits, and that while we have a strong reserves position to cover these in the short term we are working seriously with the Trustees to address this and to achieve a balanced budget position as soon as practicable.

The College's achievements are thanks to the dedication and hard work of our President, our Office Bearers, our clinician volunteers, our global membership and the continued commitment and hard work of our passionate staff, and I am privileged to be able to work with them.

Dr Steve Graham, Chief Executive Officer



**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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

Membership

At the end of the year, College membership stood at **15,842, +1%** net growth on the previous year with an overall retention rate of **93.4%**. Our membership now covers **104** 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 the majority 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 **£2.661M** for the year was **£160K (2.3%)** ahead of last year reflecting the growth in membership numbers and increased subscription rates from 1 April 2022. The continued net growth and strong retention rate in our total membership are significant achievements at a time when clinician workforce and cost of living pressures are significant and face to face engagement with members and prospective members remains curtailed. These results highlight that we are progressing in line with our membership strategy and our strategic priority for meaningful engagement with our membership.

The split of membership by faculty and territory at 31.03.2023 was as follows:

Faculty	Membership		Territory	Membership	
Physicians	4,523	28.6%	Scotland	3,509	22.1%
Surgeons	5,725	36.1%	Rest of UK	5,188	32.8%
Dental Surgery	3,842	24.3%	International	7,145	45.1%
Travel Medicine	466	2.9%			
Podiatric Medicine	392	2.5%			
College	1,018	6.4%	TOTAL Membership	15,842	100%
<i>Note the above split totals 15,966. This is due to 124 individuals who have membership of more than one Faculty and are counted more than once</i>					

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Engagement

Over the past year, we focused on engaging and connecting with our College Networks of medical, surgical and dental trainees and with our UK and International Regional Advisors.

We have supported the recruitment and induction of **4** new Advisors in India, alongside a number of key areas within the UK and have established a regular programme of virtual engagement with our networks of **89** Regional Advisors, **48** International Advisors, and **25** Medical and Surgical Trainees and **19** Dental Trainees.

A new Dental Trainee Committee has been established with the Medical and Surgical Trainee Committee evolving and new Office Bearers appointed.

These developments have helped the College better connect with our members, providing an opportunity to share experience and views on a variety of themes, including those related to workforce matters which have helped to shape College thinking on policy and consultations.

Heritage

We invest **£171K** in our college Heritage team annually and consistently show a high value return on this. Our Heritage programmes and exhibition support and promote the College's charitable purpose, particularly focused this year on our vaccination story. Our Heritage activities also support the College HOPE Foundation and have helped to address matters of equality, diversity and inclusion, for example the refresh of the David Livingstone Room and wall has shifted the focus onto recipients of the Livingstone Fellowship Awards, making our Livingstone heritage and legacy more relevant to current clinicians, particularly those working in Malawi and Zambia.

The team handled **564** enquiries (**+4%** on 2020/21) throughout the year, generated **43,402** website views (**+37%** on prior year) **10,260** blog views (**+20%** on prior year) and have **1,927** digitised collections now online (**+9%** on 2021/22). **753** attendees (**+1.5%** on prior year) accessed a series of high-quality online and face to face events and **1,490** Heritage themed podcasts were downloaded (**+65%** on last year). **409** visitors experienced the College Heritage Tour and **7,824** accessed our vaccination story exhibition.

Academic engagement attendance more than doubled from 2021/22 levels, and academic collaborations have resumed closer to pre-2020 levels with **14** active collaborations including the three Glasgow universities, as well as wider engagement with institutions such as the Universities of Birmingham and Bristol.

Diploma Ceremonies

This year we saw a return to our in-person Diploma Ceremonies at the University of Glasgow in September 2022, with additional ceremonies in the College in November 2022 and March 2023.

Through our ceremonies, we welcomed **276** new members to the College and **6** honorary Fellows in 2022/23. The events were broadcast on YouTube and watched by **3,253** people across the world.

These events are always very special and a great way to bring together our membership community and their families to celebrate their achievements.

Supporting Assessment

The ability to offer examinations to a significant number of candidates is vital to the continued support of the healthcare profession workforce and underpins our College core purpose. Following the disruption to trainee progression during COVID, the return to face-to-face examining in 2021/22 was welcome, but remained subject to disruption as different rules were imposed across the nations in relation to quarantine and large gatherings. During 2022/23 a full programme of examination delivery recommenced, including delivery internationally.

Our written exams continue to evolve, both those delivered only by our College and those which are part of intercollegiate arrangements. Technology advancements bring opportunities, allowing candidates to avoid significant travel time and costs, but also challenges as we work with providers to combat more advanced attempts

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

to circumvent systems. All written exams are now delivered online, either from the candidate's home/office or at a test centre. Our College team delivered **26** written examination diets to **629** candidates during 2022/23, and our candidates also sat MRCP exams remotely with the Federation of the Royal Colleges of Physicians and through intercollegiate arrangements for the specialty membership examinations in dentistry.

Clinical, OSCE and viva examinations largely returned to a face-to-face delivery model both in the UK and internationally, with only a handful of exams having to run remotely using technology. In total **136** clinical examination days were delivered, allowing **1,397** candidates to be assessed and many of them to progress to membership and continue their career journeys. This was an increase in candidate capacity of over **30%** from the prior year.

Consistent with the prior year, clinician time and availability remains a particular challenge as healthcare systems across the world address the aftermath from the pandemic. In addition, those in the UK were covering rota gaps when other colleagues were involved in industrial action. Despite these pressures, our College fellows and members continue to give their time generously to facilitate trainee progression. Approximately **1,439** examiner days were required simply to deliver the clinical examinations. In addition, many volunteer days were put into the question writing, standard setting and governance of written and clinical examinations.

The assessment team and clinicians worked together during this financial year to generate assessment income of **£3.149M** Exams, a rise of **£441K (16%)** from the prior year.

Supporting Education and Training

Following a partial recovery in 2021/22, the College education programme moved back to a pre-COVID delivery model in 2022/23. **147** educational events were delivered during 2022/23, ranging from webinars to postgraduate diploma courses. The College programme spanned all disciplines, formats and career stages, attracting almost **5,000** delegates to live (in-person or online) events. Total delegate numbers were slightly lower than the prior year where these had spiked when large-scale online free events were delivered during the pandemic.

Large events moved to a 'hybrid first' delivery-mode, allowing both delegates and speakers to join from wherever they were located. As well as reducing travel time, this continues the College journey to more sustainable delivery of all operations.

Recognising that many clinicians are time poor, the College continued to offer the chance to consume education by watching recorded content at a time/location that works for the individual. Our three travel medicine academic programmes offered a truly blended approach to learning, ranging from hands-on learning in Morocco to online learning, on both a synchronous and asynchronous basis. With podcasts delivering bite-sized learning effectively, season 2 of the "Medical Take" podcast was launched and has now been downloaded almost 20,000 times.

15 specialist conferences provided lifelong learning for our fellows and members, with our high-quality clinical facilities hosting **95** cadaveric and procedural courses. Recognising the importance of non-clinical skills for trainees, **20** non-clinical courses offered teaching, interview and management skills.

College fellows and members continue to generously give their time to develop and deliver educational content, despite enormous pressures in their clinical lives. During 2022/23 over **900** 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.

Coupled with the commitment of the educational staff team, income grew by **20%** to **£1.059M** during this financial year.

Volunteering

The work of College would not be possible without the tireless contributions of both our clinical and non-clinical volunteers. This remains a challenge and is likely to remain so in the coming years. A changing workforce demographic, pressures of recovery from the pandemic and the recent industrial action have all impacted on our volunteers.

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FOR THE YEAR ENDED 31 MARCH 2023**

In support of our Membership and Engagement activity our volunteers gave around **1,907** hours and for Education around **8,000** hours during the year.

A total of **1,999** examiner days were donated to the College during the year. This is broken down as follows:

Faculty	Examiner Days 2022/23	Examiner Days 2021/22	Examiner Days 2020/21	Examiner Days 2019/20	Examiner Days 2018/19
Dental	468	563	353	450	476
Medical	820	496	195	746	865
Pod Med	0	0	0	0	8
Surgical	711	419	222	705	788
Travel Med	0	0	0	0	54
Total	1,999	1,478	770	1,901	2,191

Speaking Up for the Profession

As the UK's only multidisciplinary Royal College, we are uniquely placed to comment on issues that affect clinicians and their patients. In 2022-23, we continued to amplify the voices of our Members and Fellows and submitted responses to a wide range of consultations to support positive change.

Key priorities included workforce issues, the climate emergency and environmental sustainability, and global health.

Workforce: The NHS cannot operate without its staff – but already-stretched clinicians have continued to feel the impact of intense workforce pressures post-pandemic, including major staff shortages, unfilled posts, and experienced staff leaving the workforce.

With an ageing population, changing – and increasingly complex – patient needs, and long-standing regional and specialty shortages, workforce issues have intensified.

We have continued to call for action in every part of the UK to protect our clinicians, their patients, and the healthcare system.

This included launching a joint Census of UK consultants and SAS doctors in November 2022 with the Royal Colleges of Physicians in London and Edinburgh, to illuminate the challenges being faced by doctors and to help influence NHS bodies and the government.

During the same month, we co-published the results of a UK-wide survey of medical trainees in the BMJ with the Joint Royal Colleges of Physicians Training Board, calling for greater access to less than full time working to improve wellbeing and retention of healthcare professionals. Seventy-five per cent of respondents expressed an interest in working less than full time in their future careers.

With our sister Royal Colleges, we also continued to call for a long-term NHS workforce plan, including assessments of how many staff will be needed to keep pace with demand. The UK Government subsequently published its Workforce Plan in June 2023, the 75th anniversary of the NHS, setting out plans to train 'record numbers' of doctors, nurses, dentists and other healthcare staff in England, as well as actions for retaining staff and reforming the way the NHS works.

We will continue to speak up for the profession on workforce issues in the year ahead.

Global Health: As an international community, the College embraces a culture of global citizenship. The pandemic further illuminated the strengths of international collaboration – not least between the international scientific and medical communities in developing vaccines. However, it also highlighted the stark disparity in vaccination rates between higher and lower income countries.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

We continue to advocate for health equality and in October 2022, we supported calls from the UK Health Action on Climate Change, of which we are a member, and 250 health journals across the world, to urge world leaders to deliver climate justice for Africa ahead of the UN Climate Change Conference (COP27).

Through our Hope Foundation, and alongside the Royal College of Surgeons of Edinburgh's Global Surgery Foundation, we also supported the charity KidsOR and its Paediatric Surgical Scholarship Programme. KidsOR (which stands for Kids' Operating Room) is a global health charity focused on the provision of high-quality, safe surgical services for children in low and middle-income countries. It is estimated that 1.75 billion children lack access to safe surgery globally.

Climate emergency and environmental sustainability

The College recognises that the climate emergency is already harming health and wellbeing, with extreme temperatures, droughts, flooding, air pollution, changing distributions of infectious diseases and population displacement all threatening access to healthcare.

At the same time, healthcare delivery itself contributes to the climate emergency. The College is committed to driving down its carbon emissions, supporting work to reduce the negative environmental impact of healthcare delivery, and raising awareness of issues related to the climate emergency and health.

In 2022-23, we have been working to address the climate emergency and sustainability by becoming a member of the UK Health Alliance on Climate Change, declaring a climate change emergency, undertaking advocacy work, co-developing a green theatre checklist with our sister Royal Colleges, running educational events, and assessing our own carbon baseline.

In November 2022, the College established a Sustainability Steering Group with representation from both College Members and staff. In the same month, we hosted the President's flagship conference, featuring in-depth discussions on sustainability and healthcare with renowned speakers including Professor Dame Parveen Kumar, Professor Adrian Stanley, Hugh Montgomery OBE and Dr Richard Smith.

In the coming year, we will build upon the existing momentum and embed environmental sustainability further into College activities through a dedicated action plan.

Equality, Diversity and Inclusion

The College Equality, Diversity and Inclusion (EDI) Policy sets out our commitment to EDI. In 2022, college committed to

- Continuing to support the Inclusion Advisory Group to oversee the implementation of the EDI Policy and Plans and establish EDI as a 'golden thread' through college activity
- Reviewing and updating the EDI policy with a commitment to exceed the requirements laid down in law so that any person who has any type of contact with the College will be treated with fairness, respect and in a way that is non-discriminatory
- Expanding College membership EDI data in order that we can better understand the diversity of our membership community and those engaging in college life
- Include EDI, as a standing agenda item at Executive Board and College Council meetings to demonstrate its importance

Over the past 12 months College has;

- Invested in an external, independent review of our college policy, processes and procedures in relation to EDI matters
- Created and implemented, in full, the 2022-23 EDI Action Plan and reported progress at each Executive Board and College Council meeting
- Created and submitted (September 2022) a specific EDI plan in response to the GMC requirements to eliminate differential attainment by 2030

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- Expressions of interest to join the Inclusion Advisory Group exceeded 100 and as such an Inclusion Forum was set up, with the first meeting being held October 2022
- Increased the EDI dataset we hold on our membership
- Analysed the data held in relation to the membership of our committees and boards and provided overview to the Workforce Race Equality Standards Team, NHS England, as required

People Strategy

Through the People Strategy the College's aim is that 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 college values of integrity, community, inspiration, innovation and inclusivity.

Time and resources were invested across 5 strategic areas of focus; Recruitment and Onboarding; Reward, Recognition and Retention, Learning and development, Wellbeing and HR Processes and Procedures, delivering a detailed action plan. Key areas of progress include;

- Completion of a cultural audit with all employees with results analysed, key themes identified and appropriate actions implemented
- Introduction and consistent adoption of a new Induction Plan for all new employees and those returning from long term absences
- Review and update of the College values Behavioural Framework
- Review and relaunch of the Staff Recognition Scheme, which recognises the actions of individual staff, teams and directorates which demonstrate our college values
- Creation and delivery of a new Learning and Development plan for all employees including mental health awareness and equality, diversity and inclusion
- Introduction of a formal process of conducting exit interviews with all leavers and reporting on findings
- Relaunch of the employee Health and Wellbeing Policy
- Completion of external benchmarking of employee salaries across all grades to ensure we are in line with our pay policy

FINANCIAL OVERVIEW

Key Highlights

- Total funds carried forward are **£26.990M**, a **4% / £1.264M** reduction on 2022. This is due to a **£559K** deficit before investment losses, and a fall in the value of investments of **£704K**. This compares with an increase in group funds of **1% / £190K** in 2022 due to a deficit before investment gains of **£642K** which was offset by gains on investments of **£832K**.
- The College's share of the Federation of Royal Colleges of Physicians' ICT assets (**£222K**) was recognised for the first time in 2023 following a significant increase in the year in the assets' carrying value. The Federation's investment was funded from undistributed surpluses and has been recognised as charitable income in both the consolidated and charity Statements of Financial Activity in these Financial Statements.
- The return to a full programme of Assessment and Education activity, plus the recognition of College's share of the Federation of the Royal Colleges of Physicians' ICT assets increased charitable income from **£6.095M** to **£6.869M**, an increase of **£774K / 13%**. The increased income was offset by an increase of **£569K** in direct costs and staff costs relating to the increased activity.
- The value of the investment portfolio reduced by **£1.335M** to **£16.196M**. This reduction was due to a combination of net sales of **£630K** and a fall in value of College's holdings of **£704K**.
- While the small reduction in the consolidated deficit before investment movement from **£642K** to **£559K** was welcome, and broadly in line with budgets, it did not move College appreciably toward a sustainable revenue model. Moving College into annual surpluses will be the key financial target for future years.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**
Detailed Summary

Total charitable funds of the College decreased by **£1.264M** to **£26.990M** over the year. This fall was due to an operating deficit of **£559K**, and realised and unrealised losses on investments of **£704K**. The return to normal activity levels was welcome and resulted in significant increases in charitable and commercial income. While increases in charitable income were largely offset by the increased costs of delivering activity face to face, particularly internationally, commercial activity in 1599 delivered a surplus of **£94K** (2022: loss of **£1K**).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES		
	2023	2022
	£'000	£'000
Unrestricted Funds	20,590	21,658
Endowment Funds	2,614	2,711
Restricted Funds	3,786	3,885
TOTAL CHARITABLE FUNDS	26,990	28,254

Income grew, by **£880K** (2022: +£1.734M) to **£8.154M**. Most of this income growth (**£774K**) came from increased charitable activities as Assessment and Education activity returned to close to normal levels following the COVID related restrictions of previous years. Income from other trading activities also showed a significant increase (**£305K**) as 1599 Limited began to return to normal trading levels.

TOTAL COLLEGE INCOME	2023		2022		Variance	
	£'000	% of total	£'000	% of total	£'000	% variance
Donations and legacies	351	4%	520	7%	(169)	(33%)
Charitable activities	6,869	84%	6,095	84%	774	13%
Other trading activities	484	6%	179	2%	305	156%
Investment income	450	6%	457	7%	(7)	(2%)
Other Income	-	0%	23	1%	(23)	(100%)
TOTAL CONSOLIDATED INCOME	8,154		7,274		880	12%

Consolidated Results

The consolidated operating deficit for the year of **£559K**. This is a small improvement of **£83K** on the 2022 results. While the return to pre-COVID levels of activity significantly increased income, this was offset by increased expenditure reflecting the increased activity and the increased cost of delivering activity face to face. The overall results for the year were in line with budget, but hoped for improvements to the bottom line, to move College to generating sustained annual surpluses did not materialise. Restructuring College's finances will be a key focus in the coming years.

CONSOLIDATED COLLEGE RESULTS		2023	2022	Variance	
		£'000	£'000	£'000	%
Total Income		8,154	7,274	880	12%
Total Expenditure		8,713	7,916	797	10%
Operating Deficit (before movement in investments)		(559)	(642)	83	(13%)
Net (losses) gains in Investments		(704)	833	(1,537)	(185%)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Charitable Activities

The College's principal source of income remains its charitable activity, with **85%** (2022: **80%**) of its revenues being generated by membership subscriptions, examination fees and education activity. The College's charitable income grew by **£1.537M** against the prior year, most of this being driven by the return to pre-COVID Education and Assessment activity levels.

CONSOLIDATED INCOME FROM CHARITABLE ACTIVITIES	2023		2022		Variance	
	£'000	% of total	£'000	% of total	£'000	%
Membership	2,661	39%	2,501	41%	160	6%
Assessment	3,149	46%	2,708	44%	441	16%
Education	1,059	15%	886	15%	173	20%
TOTAL INCOME FROM CHARITABLE ACTIVITIES	6,869		6,095		774	13%

Membership of **15,842** (+1% growth) and retention rates of **93.4%** 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 6 years, and it grew by a further **£160K** over the course of the year to **£2.661M**.

Assessment and Education income grew by **£441K (16%)** and **£173K (20%)** respectively, reflecting the return to pre-COVID levels of activity. It should be noted that **£222K** of the Assessment income increase related to the recognition of historical undistributed surpluses used to fund ICT asset purchases in the Federation of Royal Colleges of Physicians.

Balance Sheet

Total funds on the Consolidated balance sheet fell by **£1.263M** to **£26.991M** over the course of the year. The main balance sheet movements was the reduction in the value of College's investment values by **£1.335M** to **£16.196M**. This reduction was due to a combination of net sales of **£630K** and a fall in value of College's holdings of **£704K**.

CONSOLIDATED BALANCE SHEET	2023	2022	Variance
	£'000	£'000	£'000
Fixed assets	29,087	30,667	(1,580)
Current assets	1,998	2,163	(165)
Liabilities	(4,094)	(4,576)	482
Net assets	26,991	28,254	(1,263)
Endowment funds	2,614	2,711	(97)
Unrestricted funds	20,590	21,658	(1,068)
Restricted funds	3,787	3,885	(98)
Total funds	26,991	28,254	(1,263)

This is the third year the College has recognised the value of its Heritage Assets on the balance sheet. A revaluation of these assets will take place during 2023/24.

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 financial statements. **Restricted Funds**, representing

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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 Trustees have begun 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. During the year a number of funds previously unused for a number of years, were utilised to fund a variety of appropriate activities, and a review of regular restricted expenditure resulted in the cessation of activity which was, in the opinion of the Trustees, poor value for money. The Trustees will continue to review restricted activity and spend, and will consider, where appropriate and within the relevant legal and ethical frameworks, the repurposing or amalgamation of restricted funds which no longer appear to have a practical application.

INVESTMENT POLICY

The Finance and Investment Committee, along with the Chief Executive Officer and Director of Finance, Operations and ICT Services, 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 2023, the portfolio was valued at **£16.196M**, a decrease of **£1.335M** on the **£17.531M** valuation at 31 March 2022. The reduction in value was in line with general market movements and net sales of **£630K**.

The Finance and Investment Committee and the Trustees will be reviewing College's investment managers during the year.

RISK MANAGEMENT

The Audit and Risk Committee and the Executive Board regularly review College's main risks, using its Risk Register, to identify and track key risks faced by College and ensure progress on completion of mitigating actions. The principal risks facing College currently are:

- College continues to deliver annual unrestricted deficits. College will be undertaking a strategic review of its activities with a view to moving to a sustainable annual surplus position in the near future.
- Global socio economic and security factors: These have had a number of impacts on College's work, including inability to travel and significant cost inflation. College has changed its travel management company in the last year increasing resilience in this area, and will be undertaking a strategic review of its activities and finances in the coming year, partly in response to the significantly changed inflation environment over the past 12 months.
- Delivery of exams and education events rely on volunteer clinicians, whose time is increasingly pressured as a result of NHS staffing issues, ongoing industrial action, and NHS treatment backlogs: College is actively recruiting new examiners and educators, as well as, in collaboration with our intercollegiate

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

partners, continuing to lobby local health authorities to release clinicians for the vital work of the Royal Colleges.

- has significantly tightened its financial governance processes and developed its financial reporting in the previous 12 months and will be undertaking a strategic review of its activities with a view to moving College to a sustainable annual surplus position in the near future.
- Organisational capacity: College has continued to allow hybrid working, where possible, completed a salary benchmarking exercise, and sought to ensure no area of the business has a single point of failure by cross training team members. College will complete a number of ICT projects during the coming year which aim to bring a number of efficiencies to College's systems and processes.

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 Director of Finance, Operations and ICT Services; and the Director of Strategic Communications and Marketing. During the year, College merged the position Head of ICT and Digital Transformation into the previously titled Director of Finance and Operations.

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 2023**

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 2nd November 2023 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 LLP (trading as CT) 61 Dublin Street Edinburgh EH3 6NL
Bankers	Santander 301 St. Vincent Street Glasgow G2 5NB
Solicitors	Burness Paull LLP Aurora Building 120 Bothwell Street Glasgow G2 7JL
Investment Managers	Rathbone Brothers Plc George House 50 George Square Glasgow G2 1EH

CHARITY INFORMATION

TRUSTEES (Executive Board)	Office	Dates
Mr Michael J McKirdy FRCSGlasg(Gen Surg)	President	
Prof Abhay Rane FRCSGlasg(Urol)	Vice President (Surgical)	to 2 Dec 2022
Mr John Camilleri-Brennan FRCSGlasg(Gen.Surg.)	Vice President (Surgical)	from 2 Dec 2022
Mr John Scott FRCSGlasg(Plast)	Vice President (Surgical)	
Prof Andrew Gallagher FRCP(Glasg)	Vice President (Medical)	
Prof Adrian Stanley FRCP(Glasg)	Vice President (Medical)	to 2 Dec 2022
Dr Eric Livingston FRCP(Glasg)	Vice President (Medical)	from 2 Dec 2022
Dr Andrew Edwards FDS RCPS(Glasg) FRCSGlasg(OMFS)	Vice President (Dental)	to 11 Nov 2022
Dr Christine Goodall FDS RCPS(Glasg)	Vice President (Dental)	from 11 Nov 2022
Mr Drummond Mansbridge FRCSGlasg(Tr&Orth)	Honorary Treasurer	
Dr Richard Hull FRCP(Glasg)	Honorary Secretary	
Dr Morven McElroy FRCP(Glasg)	Honorary Librarian	
Dr Roddy Neilson FRCP(Glasg)	Registrar	to 2 Dec 2022
Prof Abhay Rane FRCSGlasg(Urol)	Registrar	from 2 Dec 2022
Dr Sam Allen FFTM RCPS(Glasg), FRCP(Glasg)	Dean of the Faculty of Travel Medicine	
Mrs Christine Skinner FFPM RCPS(Glasg)	Dean of the Faculty of Podiatric Medicine	to June 2023
Mr David Wylie	Dean of the Faculty of Podiatric Medicine	from June 2023
Mr Mark Allison	Chair of the Audit and Risk Committee	
Mr Stuart McCallum	Chair of the Finance and Investment Committee	

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 Christine Goodall FDS RCPS(Glasg)	Dean Elect, Faculty of Dental Surgery	to 11 Nov 2022
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 2 Dec 2022
Dr Paul Keeley FRCP(Glasg)	Ordinary Councillor	
Dr Nauman Arif Jadoon MRCP(S)(Glasg)	Ordinary Councillor <10 yrs GMC reg	
Mr Bilal Jamal FRCS(Glasg)	Ordinary Councillor	
Mr S Mannion FRCS(Glasg)	Ordinary Councillor	
Mr Hrish Joshi FRCSGlasg(Urol)	Ordinary Councillor	
Mr R Anderson MRCS(Glasg)	Ordinary Councillor <10 yrs GMC reg	to 2 Dec 2022
Mr Noaman Safraz	Ordinary Councillor	to 2 Dec 2022
Miss Carly Bisset	Ordinary Councillor <10 yrs GMC reg	from 10 Jan 2022
Dr S McNally FRCSGlasg(Gen Surg)	Regional Councillor Scotland North	
Mr J Camilleri-Brennan FRCS(Glasg)	Regional Councillor Scotland East	to 2 Dec 2022
Mr John Robertson FRCSGlasg(Gen Surg)	Regional Councillor Scotland East	from 2 Dec 2022
Dr H Wilson FRCP(Glasg)	Regional Councillor Scotland West	to 2 Dec 2022
Mr Thisara Weerasuriya FRCS	Regional Councillor Scotland West	from 2 Dec 2022
Dr D Tripathi FRCP(Glasg)	Regional Councillor Worldwide (excl. Scotland)	
Dr C Kelly FRCP(Glasg)	Regional Councillor UK (excl. Scotland)	
Dr Saira Saleem	Regional Councillor Worldwide excl. Scotland)	
Major A Sharma FRCS(Glasg)	Regional Councillor UK (excl. Scotland)	

CHARITY INFORMATION

NON-TRUSTEES (Advisory Co-optees)

Dr Lorna Willocks FRCP(Glasg)	Faculty of Public Health Medicine	
Prof G McKay FRCP(Glasg)	Faculty of Pharmaceutical Medicine	
Mrs E Condie	Chair, Lay Advisory Board	to 1 May 2022
Prof H Eteiba FRCP(Glasg)	International Director	
Dr Lynne Meekison FRCP(Glasg)	SAS representative	
Mrs Alison Lannigan FRCS(Glasg)	HOPE Foundation Director	
Dr L Ishak	Co-Chair, Trainees' Committee	to 1 Jul 2023
Dr J Cathcart MRCPS(Glasg)	Co-Chair, Trainees' Committee	to 19 Aug 2022
Dr Emily Turner	Co-Chair, Trainees' Committee	from 1 Jun 2023
Mr Michael Helley	Co-Chair, Trainees' Committee	from 1 Jun 2023
Dr Moe Oo FRCP(Glasg)	Chair, Inclusion Advisory Group	from 1 April 2022

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	
Ms Aileen Caskie	Interim Head of Corporate Communications and Marketing	to 1 Jun 2022
Ms Margaret McFadzean	Interim Director of Strategic Marketing	from 1 Jul 2022 to 17 March 2023
Ms Kat Hannah	Director of Strategic Communications and Marketing	from 18 May 2023

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW
FOR THE YEAR ENDED 31 MARCH 2023**

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 2023 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 2023 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 2023**

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 2023**

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.



Jeremy Chittleburgh (Senior Statutory Auditor)
For and on behalf of CT

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

2 November 2023

CT 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 2023

	Note	Endowment Funds 2023 £	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Endowment Funds 2022 £	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £
Income and endowments from:									
Donations and legacies	5	-	350,955	-	350,955	-	456,934	63,238	520,172
Charitable activities	6	-	-	6,869,318	6,869,318	-	-	6,095,211	6,095,211
Other trading activities	7	-	-	484,033	484,033	-	-	178,909	178,909
Investments	8	-	129,473	320,100	449,573	-	147,940	309,145	457,085
Other		-	-	-	-	-	-	22,621	22,621
Total income		-	480,428	7,673,451	8,153,879	-	604,874	6,669,124	7,273,998
Expenditure on:									
Raising funds	9	-	3,160	409,117	412,277	-	-	214,269	214,269
Charitable activities	10,11	-	486,810	7,813,936	8,300,746	-	508,837	7,192,703	7,701,540
Total expenditure		-	489,970	8,223,053	8,713,023	-	508,837	7,406,972	7,915,809
(Deficit)/surplus before movements in investments		-	(9,542)	(549,602)	(559,144)	-	96,037	(737,848)	(641,811)
Net (losses)/gains on investments		(103,653)	(89,609)	(511,046)	(704,308)	134,564	134,895	563,031	832,490
Net (expenditure)/income		(103,653)	(99,151)	(1,060,648)	(1,263,452)	134,564	230,932	(174,817)	190,679
Transfers between funds	27,28	7,211	-	(7,211)	-	-	(160,000)	160,000	-
Net movement in funds	4	(96,442)	(99,151)	(1,067,859)	(1,263,452)	134,564	70,932	(14,817)	190,679
Reconciliation of funds									
Total funds brought 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
Total funds carried forward	26,27,28	2,614,170	3,786,264	20,590,107	26,990,541	2,710,612	3,885,415	21,657,966	28,253,993

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 2023

	Note	Endowment Funds 2023 £	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Endowment Funds 2022 £	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £
Income and endowments from:									
Donations and legacies	5	-	350,955	82,863	433,818	-	456,934	63,238	520,172
Charitable activities	6	-	-	6,869,318	6,869,318	-	-	6,095,211	6,095,211
Other trading activities	7	-	-	70,185	70,185	-	-	96,882	96,882
Investments	8	-	129,473	320,100	449,573	-	147,940	309,145	457,085
Other		-	-	-	-	-	-	13,582	13,582
Total income		-	480,428	7,342,466	7,822,894	-	604,874	6,578,058	7,182,932
Expenditure on:									
Raising funds	9	-	3,160	89,885	93,045	-	-	130,773	130,773
Charitable activities	10,11	-	486,810	7,813,936	8,300,746	-	508,837	7,192,703	7,701,540
Total expenditure		-	489,970	7,903,821	8,393,791	-	508,837	7,323,477	7,832,313
(Deficit)/surplus before movements in investments		-	(9,542)	(561,355)	(570,897)	-	96,037	(745,418)	(649,381)
Net (losses)/gains on investments		(103,653)	(89,609)	(511,046)	(704,308)	134,564	134,895	563,031	832,490
Net (expenditure)		(103,653)	(99,151)	(1,072,401)	(1,275,205)	134,564	230,932	(182,387)	183,109
Transfers between funds	27,28	7,211	-	(7,211)	-	-	(160,000)	160,000	-
Net movement in funds	4	(96,442)	(99,151)	(1,079,612)	(1,275,205)	134,564	70,932	(22,387)	183,109
Reconciliation of funds									
Total funds brought 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
Total funds carried forward	26,27,28	2,614,170	3,786,264	20,589,970	26,990,404	2,710,612	3,885,415	21,669,582	28,265,609

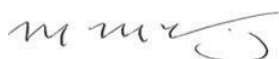
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.
The notes form part of these financial statements.

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET AS AT 31 MARCH 2023

	Note	Group 2023	Group 2022	Charity 2023	Charity 2022
		£	£	£	£
Fixed assets:					
Tangible assets	16	6,804,281	7,049,676	6,804,281	7,049,676
Heritage assets	17	6,086,680	6,086,680	6,086,680	6,086,680
Investments	18	16,196,148	17,531,078	16,196,248	17,531,178
Total fixed assets		29,087,109	30,667,434	29,087,209	30,667,534
Current assets:					
Stocks	20	24,105	11,181	24,105	11,181
Debtors	21	1,509,850	1,182,973	1,632,628	1,224,589
Cash at bank and in hand	22	463,704	969,304	276,855	872,125
Total current assets		1,997,659	2,163,458	1,933,588	2,107,895
Liabilities:					
Creditors falling due within one year	23	(3,044,227)	(3,376,899)	(2,980,393)	(3,309,820)
Net current liabilities		(1,046,568)	(1,213,441)	(1,046,805)	(1,201,925)
Creditors falling due after one year	25	(1,050,000)	(1,200,000)	(1,050,000)	(1,200,000)
Total net assets		26,990,541	28,253,993	26,990,404	28,265,609
The funds of the charity:					
Endowment funds	26	2,614,170	2,710,612	2,614,170	2,710,612
Unrestricted funds	27	20,590,107	21,657,966	20,589,970	21,669,582
Restricted income funds	28	3,786,264	3,885,415	3,786,264	3,885,415
Total charity funds		26,990,541	28,253,993	26,990,404	28,265,609

The financial statements were approved by the Trustees on 2nd November 2023 and signed on their behalf by:



.....
Mr Mike 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 2023

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash flows from operating activities:					
Net cash used in operating activities	30	(863,411)	(545,516)	(953,081)	(633,208)
Cash flows from investing activities:					
Dividends, interest and rents from investments		449,573	457,085	449,573	457,085
Purchase of property, plant and equipment		(288,722)	(387,329)	(288,722)	(387,329)
Proceeds from investments		1,033,287	848,100	1,033,287	848,100
Purchase of investments		(402,665)	(1,610,684)	(402,665)	(1,610,684)
Net cash provided by investing activities		791,473	(692,828)	791,473	(692,828)
Cash flows from financing activities:					
Repayments of borrowing		(150,000)	(650,000)	(150,000)	(650,000)
Net cash used by financing activities		(150,000)	(650,000)	(150,000)	(650,000)
Change in cash and cash equivalents in the year		(221,938)	(1,888,344)	(311,608)	(1,976,036)
Cash and cash equivalents at 1 April		276,274	2,164,618	179,095	2,155,131
Cash and cash equivalents at 31 March		54,336	276,274	(132,513)	179,095
Cash and cash equivalents comprise the following:					
Cash at bank and in hand		463,704	969,304	276,855	872,125
Bank overdraft		(409,368)	(693,030)	(409,368)	(693,030)
Cash and cash equivalents at 31 March		54,336	276,274	(132,513)	179,095

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 a 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

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.

2. Accounting policies (continued)

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.

j) Pension scheme

The charity operates a defined contribution group pension scheme. The annual cost of this scheme is the employer contributions made on behalf of employees in the year.

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.

2. Accounting policies (continued)

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.

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.

2. Accounting policies (continued)

s) Financial instruments

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

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

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

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

t) Fund accounting

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

Endowment funds are restricted funds where any capital together with subsequent investment gains and losses can only be distributed in accordance with the terms imposed by the donor. Investment income generated by endowed funds and the costs of managing those investments, are recognised in restricted funds with the same name as each endowed fund, with the balance on these restricted funds available for expenditure on the activities specified in the original endowment.

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

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

3. Judgements and significant estimates

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

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

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Net movement in funds

This is stated after charging:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Auditor's remuneration				
Audit fees	24,978	17,200	19,828	14,250
Non-audit services	850	495	-	-
Depreciation	534,117	594,900	534,117	594,900
Operating lease costs – Other	4,320	4,320	4,320	4,320
Staff pension costs	267,486	259,447	261,444	255,266

5. Income from donations and legacies

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	2023 Total £
Group				
Donations & legacies	-	16,931	-	16,931
Grants	-	334,024	-	334,024
	-	350,955	-	350,955
	<i>Endowment Funds £</i>	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>2022 Total £</i>
Group				
Donations & legacies	-	189,814	-	189,814
Grants	-	267,120	63,238	330,358
	-	456,934	63,238	520,172
	<i>Endowment Funds £</i>	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>2023 Total £</i>
Charity				
Donations & legacies	-	16,931	82,863	99,794
Grants	-	334,024	-	334,024
	-	350,955	82,863	433,818
	<i>Endowment Funds £</i>	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>2022 Total £</i>
Charity				
Donations & legacies	-	189,814	-	189,814
Grants	-	267,120	63,238	330,358
	-	456,934	63,238	520,172

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Income from charitable activities

	2023 Total £	2022 Total £
Group and Charity		
Membership	2,661,071	2,501,493
Assessment	3,148,991	2,708,054
Education	1,059,256	885,664
	<u>6,869,318</u>	<u>6,095,211</u>

All income from charitable activities in 2023 and 2022 is unrestricted.

7. Income from other trading activities

	2023 Total £	2022 Total £
Group		
Letting	70,185	96,882
1599 event income	413,848	82,027
	<u>484,033</u>	<u>178,909</u>

	2023 Total £	2022 Total £
Charity		
Letting	70,185	96,882
	<u>70,185</u>	<u>96,882</u>

All income from other trading activities in 2023 and 2022 is unrestricted.

8. Investment income

	Restricted Funds £	Unrestricted Funds £	2023 Total £
Group and Charity			
Dividends	129,473	319,640	449,113
Interest	-	460	460
	<u>129,473</u>	<u>320,100</u>	<u>449,573</u>
	<i>Restricted Funds £</i>	<i>Unrestricted Funds £</i>	<i>2022 Total £</i>
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>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

9. Expenditure on raising funds

Group	2023 Total £	2022 Total £
Letting of College accommodation	24,900	66,082
1599 Limited	319,232	83,496
Fundraising activities	3,160	-
Investment management fees	64,985	64,691
	<u>412,277</u>	<u>214,269</u>

Charity	2023 Total £	2022 Total £
Letting of College accommodation	24,900	66,082
Fundraising activities	3,160	-
Investment management fees	64,985	64,691
	<u>93,045</u>	<u>130,773</u>

All expenditure on raising funds in 2023 and 2022 relates to unrestricted funds.

10. Expenditure on charitable activities

Group and Charity	Restricted Funds £	Unrestricted Funds £	2023 Total £
Membership	-	1,659,432	1,659,432
Assessment	315,461	2,815,333	3,130,794
Education	171,349	1,941,064	2,112,413
Other charitable activities	-	1,398,107	1,398,107
	<u>486,810</u>	<u>7,813,936</u>	<u>8,300,746</u>

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>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. Expenditure on charitable activities

Group and Charity	Direct Costs £	Staff Costs £	Support Costs (Note 12) £	2023 Total £
Membership	289,409	631,470	738,553	1,659,432
Assessment	1,060,159	677,233	1,393,402	3,130,794
Education	421,040	751,215	940,158	2,112,413
Other charitable activities	338,157	578,104	481,846	1,398,107
	<u>2,108,765</u>	<u>2,638,022</u>	<u>3,553,959</u>	<u>8,300,746</u>

Group and Charity	Direct Costs £	Staff Costs £	Support Costs (Note 12) £	2022 Total £
Membership	428,014	668,188	959,922	2,056,123
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>

12. Support and Governance Costs

	2023 Total £	2022 Total £
Group and Charity		
Staff costs	1,158,431	1,115,965
Property	258,873	320,173
ICT	410,884	368,577
Other costs	672,929	711,122
Depreciation	534,117	594,900
	<u>3,035,234</u>	<u>3,110,737</u>
Governance		
Trustee expenses	9,098	1,257
Staff costs	224,160	232,323
Audit fees	19,828	14,250
Legal fees	86,149	59,832
Travel and accommodation	159,252	66,545
Other	20,238	11,857
	<u>518,725</u>	<u>386,064</u>
	<u>3,553,959</u>	<u>3,496,801</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Staff costs and numbers

Staff costs were as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	3,527,972	3,281,158	3,448,285	3,228,282
Social security costs	325,253	294,141	317,906	289,401
Other pension costs	267,486	259,447	261,444	255,266
	<u>4,120,711</u>	<u>3,834,746</u>	<u>4,027,635</u>	<u>3,772,949</u>

	Group		Charity	
	2023	2022	2023	2022
	No	No	No	No
Average monthly number of employees during the period	<u>125</u>	<u>123</u>	<u>125</u>	<u>123</u>

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

	Group		Charity	
	2023	2022	2023	2022
	No	No	No	No
£60,001 - £70,000	-	1	-	1
£80,001 - £90,000	3	1	3	1
£90,001 - £100,000	-	2	-	2
£130,001 - £140,000	1	1	1	1

All employees are members of the defined contribution pension scheme.

Key Management Personnel of the College consists of the Chief Executive Officer and the heads of department detailed on the Charity Information page. Total remuneration costs for the year including employer national insurance contributions and employer pension contributions for the above were £539,982 (2022 - £544,516).

14. Trustees remuneration

No trustees received any remuneration in the year (2022: *£nil*). Travel and hotel costs amounting to £9,089 (2022: £1,257) were reimbursed to 8 (2022: 3) 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 (2022 - *None*).

15. Government grants

College received a grant from the Scottish Government Public Health Division of £269,800 (2022: £230,000) 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.

In 2022 College received £62,138 of grants from HMRC under the Coronavirus Job Retention Scheme 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 2022	6,775,448	885,210	475,701	1,020,685	175,678	9,332,722
Additions	-	3,493	23,668	261,561	-	288,722
Disposals	-	(10,420)	-	-	-	(10,420)
As at 31 March 2023	6,775,448	878,283	499,369	1,282,246	175,678	9,611,024
Depreciation						
As at 1 April 2022	881,264	758,848	189,103	383,451	70,380	2,283,046
Charge for the year	212,879	43,260	68,940	197,517	11,521	534,117
Disposals	-	(10,420)	-	-	-	(10,420)
As at 31 March 2023	1,094,143	791,688	258,043	580,968	81,901	2,806,743
Net book value						
As at 31 March 2023	5,681,305	86,595	241,326	701,278	93,777	6,804,281
As at 31 March 2022	5,894,184	126,362	286,598	637,234	105,298	7,049,676

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Heritage Assets

Group and Charity

	Library	Art Collection	Other Heritage Assets	Total
	£	£	£	£
Valuation at 1 April 2022 and 31 March 2023	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 2023

18. Investments

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Listed investments at fair value				
Equities	15,433,152	16,609,664	15,433,152	16,609,664
Fixed rate securities	540,306	608,614	540,306	608,614
Infrastructure funds	222,690	312,800	222,690	312,800
Unlisted investments at cost				
Investment in subsidiary (note 19)	-	-	100	100
	<u>16,196,148</u>	<u>17,531,078</u>	<u>16,196,248</u>	<u>17,531,178</u>

Listed investments

	2023	2022
	£	£
Group and Charity		
Market value at 1 April	17,531,078	15,936,004
Additions at cost	402,665	1,610,684
Disposals at opening book value	(1,067,207)	(724,287)
Unrealised movement in market value	(670,388)	708,677
Market value at 31 March	<u>16,196,148</u>	<u>17,531,078</u>
Historical cost at 31 March	<u>9,530,044</u>	<u>10,132,845</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 2023

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.

	2023 £	2022 £
Turnover	413,848	82,027
Cost of sales and administration costs	(319,231)	(83,495)
Surplus / (Loss) before tax	94,615	(1,468)
Tax refund received in year	-	9,039
Surplus gift aided to parent	82,863	-
Retained in subsidiary	11,752	7,571
The assets and liabilities of the subsidiary were:		
Current assets	242,793	145,100
Current liabilities	(242,555)	(156,614)
Net assets / (liabilities)	238	(11,514)
Aggregate share capital and reserves	238	(11,514)

20. Stock

	Group and Charity	
	2023 £	2022 £
Goods for sale	24,105	11,181

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

21. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	647,711	183,380	592,272	136,497
Accrued income	567,574	681,287	567,574	681,287
Other debtors	176,360	92,570	176,360	92,570
Prepayments	118,205	225,736	117,700	224,699
Amounts owed by group undertakings	-	-	178,722	89,536
	1,509,850	1,182,973	1,632,628	1,224,589

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. Cash at bank and in hand	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash at bank and in hand	463,704	969,304	276,855	872,125
	<u>463,704</u>	<u>969,304</u>	<u>276,855</u>	<u>872,125</u>
23. Creditors: Amounts falling due within one year				
	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loan	150,000	150,000	150,000	150,000
Bank overdraft	409,368	693,030	409,368	693,030
Trade creditors	210,210	410,403	208,987	394,917
Other creditors	427,442	456,641	427,442	456,641
Social security and other taxes	110,588	109,525	108,425	107,802
Deferred income (note 24)	1,171,380	1,119,986	1,114,432	1,073,068
Accruals	565,239	437,314	561,739	434,362
Amounts owed to group undertakings	-	-	-	-
	<u>3,044,227</u>	<u>3,376,899</u>	<u>2,980,393</u>	<u>3,309,820</u>

Included in Other Creditors is a balance of £190,686 (2022: £265,699) 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	
	2023 £	2022 £	2023 £	2022 £
Balance at 1 April	1,114,261	1,107,809	1,073,068	1,099,862
Released in the year to income	(1,114,261)	(1,057,013)	(1,073,068)	(1,049,066)
Received in the year	1,171,380	1,063,465	1,114,432	1,022,272
Balance at 31 March (note 23)	<u>1,171,380</u>	<u>1,114,261</u>	<u>1,114,432</u>	<u>1,073,068</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	
	2023 £	2022 £	2023 £	2022 £
Bank loan	<u>1,050,000</u>	<u>1,200,000</u>	<u>1,050,000</u>	<u>1,200,000</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Group and Charity

Amounts are due within the following periods:

	2023 £	2022 £
Within one year	150,000	150,000
Between one and two years	1,050,000	150,000
Between two and five years	-	1,050,000
	1,200,000	1,350,000

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 2022 £	Income £	Expend- iture £	Gains £	Transfers £	Balance at 31 March 2023 £
Permanent endowments						
Ethicon Fund	236,980	-	-	(9,062)	-	227,918
Lock Hospital Trust	1,603,185	-	-	(61,305)	-	1,541,880
Mr & Mrs Walker Trust	628,820	-	-	(24,046)	-	604,774
Ben Walton Trust fund	103,353	-	-	(3,952)	7,211	106,612
	2,572,338	-	-	(98,365)	7,211	2,481,184
Expendable endowments						
Lachlan McNeill	43,664	-	-	(1,670)	-	41,994
David Murdoch Memorial	93,060	-	-	(3,559)	-	89,501
Cameron Lockie Fund	1,550	-	-	(59)	-	1,491
	138,274	-	-	(5,288)	-	132,986
	2,710,612	-	-	(103,653)	7,211	2,614,170
Group and Charity	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expend- iture £</i>	<i>Losses £</i>	<i>Transfers £</i>	<i>Balance at 31 March 2022 £</i>
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

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 2023

27 Unrestricted Funds Group	Balance at 1 April 2022	Income	Expenditure	Losses	Transfer	Balance at 31 March 2023
	£	£	£	£	£	£
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	13,398,940	-	-	-	-	13,398,940
	<u>13,408,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,408,940</u>
General fund	8,249,026	7,673,451	(8,223,053)	(511,046)	(7,211)	7,181,167
	<u>21,657,966</u>	<u>7,673,451</u>	<u>(8,223,053)</u>	<u>(511,046)</u>	<u>(7,211)</u>	<u>20,590,107</u>
Unrestricted Funds Group	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Losses</i>	<i>Transfer</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£	£
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	13,398,940	-	-	-	-	13,398,940
	<u>13,408,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,408,940</u>
General fund	8,263,843	6,669,124	(7,406,972)	563,031	160,000	8,249,026
	<u>21,672,783</u>	<u>6,669,124</u>	<u>(7,406,972)</u>	<u>563,031</u>	<u>160,000</u>	<u>21,657,966</u>
Unrestricted Funds Charity	Balance at 1 April 2022	Income	Expenditure	Gains	Transfer	Balance at 31 March 2023
	£	£	£	£	£	£
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	13,398,940	-	-	-	-	13,398,940
	<u>13,408,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,408,940</u>
General fund	8,260,642	7,317,566	(7,878,921)	(511,046)	(7,211)	7,181,030
	<u>21,669,582</u>	<u>7,317,566</u>	<u>(7,878,921)</u>	<u>(511,046)</u>	<u>(7,211)</u>	<u>20,589,970</u>
Unrestricted Funds Charity	<i>Balance at 1 April 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Losses</i>	<i>Transfer</i>	<i>Balance at 31 March 2022</i>
	£	£	£	£	£	£
Honeyman fund	10,000	-	-	-	-	10,000
Designated assets fund	13,398,940	-	-	-	-	13,398,940
	<u>13,408,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,408,940</u>
General fund	8,283,029	6,578,058	(7,323,477)	563,031	160,000	8,260,642
	<u>21,691,969</u>	<u>6,578,058</u>	<u>(7,323,477)</u>	<u>563,031</u>	<u>160,000</u>	<u>21,669,582</u>

Honeyman fund

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

Designated fund

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

27. Unrestricted funds (continued)

Transfers between funds

In the year £7,211 was transferred from unrestricted funds to the Ben Walton Trust Fund. This transfer was made to correct a misallocation of income to unrestricted funds in a previous year. In the prior 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.

28. Restricted funds

Group and Charity	Balance at 1 April 2022 £	Income £	Expenditure £	Gains £	Transfer £	Balance at 31 March 2023 £
Ethicon Fund	81,607	6,071	(2,700)	-	-	84,978
Lachlan McNeill Scholarship	6,701	1,119	-	-	-	7,820
Glasgow Lock Hospital Trust	610,318	41,070	(97,871)	-	-	553,517
The Aileen Lynn Bequest	112,816	2,890	(5,000)	(4,314)	-	106,392
David Murdoch Memorial Fund	25,170	2,384	-	-	-	27,554
Ritchie Trust Fund	717,972	18,393	-	(27,455)	-	708,910
Mr & Mrs Walker Trust Fund	174,478	16,109	(20,000)	-	-	170,587
Professor TC White Bequest	1,512,562	38,749	(31,332)	(57,840)	-	1,462,139
William and Elizabeth Davies Foundation Trust	396,781	-	-	-	-	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	114,685	325,934	(315,461)	-	-	125,158
Innovation Fund	24,560	-	-	-	-	24,560
Diana Cawson Fund	63,000	-	-	-	-	63,000
Ben Walton Trust Fund	1,227	2,648	-	-	-	3,875
Cameron Lockie Fund	126	40	-	-	-	166
Hope Foundation	6,685	16,931	(11,265)	-	-	12,351
Heritage Project Grants	1,007	8,090	(6,341)	-	-	2,756
	<u>3,885,415</u>	<u>480,428</u>	<u>(489,970)</u>	<u>(89,609)</u>	<u>-</u>	<u>3,786,264</u>

ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

28. Restricted funds (continued)

Group and Charity	Balance at 1 April 2021 £	Income £	Expenditure £	Losses £	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 5,159	160,000 -	- -	- -	(160,000) -	396,781 5,159
NES Equipment Grant						
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>

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.

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.

28. Restricted funds (continued)

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.

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.

Heritage Project Grants: Heritage project grants relate to specific grants from a variety of sources related to work on the management and promotion of College's heritage.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

28. Restricted 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.

29. Analysis of net assets between funds

Group	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	2023 Total £
Tangible fixed assets	-	6,804,281	-	6,804,281
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,614,170	11,304,537	2,277,441	16,196,148
Current assets	-	488,836	1,508,823	1,997,659
Creditors due in less than one year	-	(3,044,227)	-	(3,044,227)
Creditors due after more than one year	-	(1,050,000)	-	(1,050,000)
	<u>2,614,170</u>	<u>20,590,107</u>	<u>3,786,264</u>	<u>26,990,541</u>
	<i>Endowment Funds £</i>	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>2022 Total £</i>
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>21,657,966</u>	<u>3,885,415</u>	<u>28,253,993</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

29. Analysis of net assets between funds (continued)

Charity	Endowment Funds £	Unrestricted Funds £	Restricted Funds £	2023 Total £
Tangible fixed assets	-	6,804,281	-	6,804,281
Heritage assets	-	6,086,680	-	6,086,680
Investments	2,614,170	11,304,637	2,277,441	16,196,248
Current assets	-	424,765	1,508,823	1,933,588
Creditors due in less than one year	-	(2,980,393)	-	(2,980,393)
Creditors due after more than one year	-	(1,050,000)	-	(1,050,000)
	<u>2,614,170</u>	<u>20,589,970</u>	<u>3,786,264</u>	<u>26,990,404</u>
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>

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

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Net expenditure for the year (as per the Statement of Financial Activities)	(1,263,452)	190,679	(1,275,205)	183,109
Adjustments for:				
Net loss/(gain) on investments	704,308	(832,490)	704,308	(832,490)
Loss on disposal of fixed assets	-	111,794	-	111,794
Depreciation charges	534,117	594,900	534,117	594,900
Dividends, interest and rents from investments	(449,573)	(457,085)	(449,573)	(457,085)
Increase in stocks	(12,924)	(2,638)	(12,924)	(2,638)
Increase in debtors	(326,877)	(377,482)	(408,039)	(425,798)
(Decrease)/increase in creditors	(49,010)	226,806	(45,765)	195,000
Net cash used in operating activities	<u>(863,411)</u>	<u>(545,516)</u>	<u>(953,081)</u>	<u>(633,208)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

31. Analysis of net debt

	Balance at 1 April 2022 £	Cashflows £	Balance at 31 March 2023 £
Group			
Cash	969,304	(505,600)	463,704
Cash equivalents	(693,030)	283,662	(409,368)
Debt due within one year	(150,000)	-	(150,000)
Debt due greater than one year	(1,200,000)	150,000	(1,050,000)
	<u>(1,073,726)</u>	<u>(71,938)</u>	<u>(1,145,664)</u>
	Balance at 1 April 2022 £	Cashflows £	Balance at 31 March 2023 £
Charity			
Cash	872,125	(595,270)	276,855
Cash equivalents	(693,030)	283,662	(409,368)
Debt due within one year	(150,000)	-	(150,000)
Debt due greater than one year	(1,200,000)	150,000	(1,050,000)
	<u>(1,170,905)</u>	<u>(161,608)</u>	<u>(1,332,513)</u>

32. Lease commitments

	2023 £	2022 £
Group and Charity		
Operating leases payable		
Within 1 year	8,506	4,680
Later than 1 year and not later than 5 years	33,364	1,170
	<u>41,871</u>	<u>5,850</u>

33. Pension

The charity operates a defined contribution scheme for the benefit of its employees. At 31 March 2023 £38,956 (2022 - £37,459) was payable to the administrators of the scheme. This balance is included in other creditors.

34. Related party transactions

During the year, College President was an employee of NHS Greater Glasgow & Clyde. With the agreement of his employer and College a proportion of his contracted sessions were devoted to fulfilling his role as College President. During the year College paid £75,000 (2022: £34,574) to NHS Greater Glasgow & Clyde relating to the current President and £nil (2022: £15,169) relating to the immediate past President, as compensation for this commitment.

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: RCPSG, 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, in Other Creditors, of £66,943 (2022: £51,105) being the balance due to the Federation at 31 March 2023 for College's share of historic Federation VAT liabilities, and in Accrued Income £301,873 (2022: £329,722) being the amount due to College from the Federation for its outstanding share of the Federation's surplus during the preceding 12 months.

Following an increase in the value of College's share of the Federation's investment in fixed assets, College has in these financial statements recognised ICT assets with a net book value of £218,955. £145,300 of Federation fixed assets were not recognised in the previous year financial statements on the grounds of immateriality.

The Balance Sheets in these Financial Statements do not fully consolidate balances from Federation as they are not all of a sufficiently material value to warrant their inclusion. The balance not included is College's share of Federation's pension liability relating to Federation staff, £nil (£6,240).

36. Contingent Liability

The Federation has a potential VAT liability, of which RCPSG would be liable to pay between £140,000 and £360,000. The Federation does not believe that this VAT liability is due and is intending to contest HMRC's view.