

Educating

Improving

Influencing



RCP annual report 2021

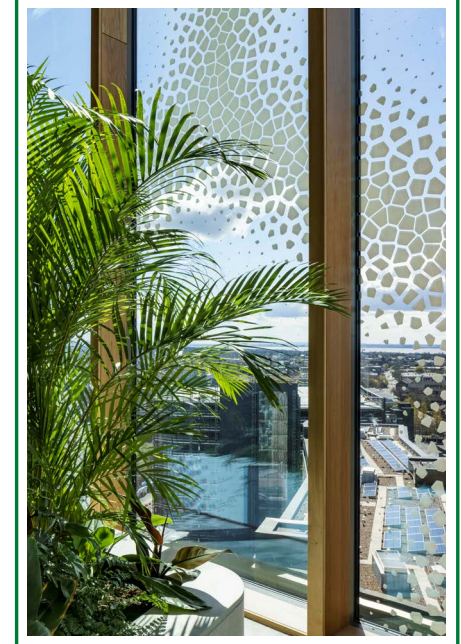
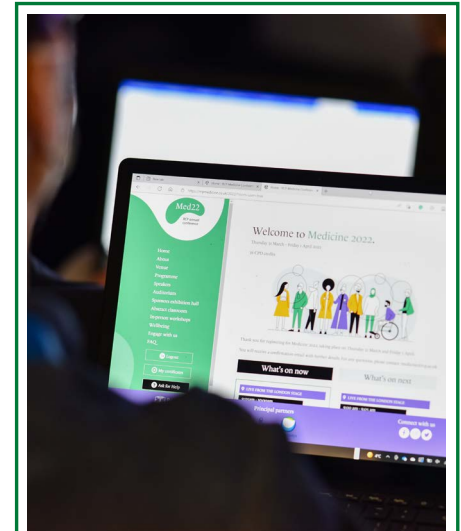


Royal College
of Physicians



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Who we are and what we do

The Royal College of Physicians (RCP) is a professional membership body for physicians, with over 40,000 members and fellows around the globe working in hospitals and communities across 30 medical specialties. Physicians diagnose and treat illness, and promote good health. They care for millions of medical patients with a broad range of conditions, from asthma and diabetes to stroke and yellow fever.

Everything that we do at the RCP aims to improve patient care and reduce illness. Our work is patient centred and clinically led. We drive improvement in the diagnosis of disease, the care of individual patients and the health of the whole population, both in the UK and across the globe. We work to ensure that physicians are educated and trained to provide high-quality care. We also develop doctors to become leaders, providing advice and expertise to deliver service improvements across the NHS and more widely.



Public benefit

The Royal College of Physicians (RCP) was established by royal charter in 1518. It is a registered charity, and the trustees are mindful of their duty to ensure that the charity's purpose accords with the objects set out in its governing document (the charter).

Uniquely for the time, through the charter the king established the RCP in perpetuity as a professional body in the name of the public benefit. He empowered it to set standards by regulating practice, to protect the public.

Today the RCP continues to focus its work to support high standards of medical training and patient care through activities within the meaning of charitable purpose as defined by the Charities Act 2011 that are carried out for the general public benefit.

In particular, most of our activities fall within the purposes of the advancement of health or the saving of lives; the advancement of education; and the advancement of the arts, culture, heritage or science.

Our work in these areas is made possible through the involvement of our fellows and members wherever they work, in the UK or overseas, and is summarised annually in this report.

Our vision, mission and values

Our vision, mission and values underpin and guide our work.

Our vision

As the leading body for physicians in the UK and internationally, the RCP envisages a world in which everyone has the best possible health and healthcare.

Our mission

The RCP understands its purpose in realising that vision to be:

- > **educating** physicians and supporting them to fulfil their potential
- > **improving** health and care and leading the prevention of ill health across communities
- > **influencing** the way that healthcare is designed and delivered

Our values

We are committed to **taking care**, **learning** and **being collaborative**. These values drive the way we behave, how we interact with each other, and how we work together to achieve our vision and improve patient care.



Foreword



Sir Andrew Goddard, RCP president
Dr Ian Bullock, chief executive

For many organisations, the enduring impact of the pandemic presented a number of challenges in 2021. For the RCP, the past year has been one of recovery and restructure. Our focus was on re-establishing the delivery of our core charitable purpose having lost a third of our income in 2020. In doing so, we have moved to a financially balanced position and with our influence stronger than ever. This says much about our staff and our membership.

Reflecting on the year, we are particularly proud of two significant milestones – a growing membership which has surpassed our previous strategy target of 40,000 and the opening of The Spine, our new home in Liverpool. These achievements demonstrate both our commitment to continued innovation and our impact as a modern professional organisation. The RCP logo literally shines out over the city of Liverpool and our presence has stimulated inward investment into the Knowledge Quarter and positively impacted on the area's health economy – a powerful reminder of our continuing responsibility and relevance.

The year has not been without challenge and the physician workforce has been under pressure both in the UK and across the globe in a way not seen in our lifetime. The response of physicians has been inspiring and gives us much hope for the future.

Prior to the pandemic our members told us that we should focus our efforts on our three strengths: educating, improving and influencing. This report shows how that has been achieved across all the different parts of the college. Our new strategy for 2022–24 cements these three priorities firmly in our everyday work and will guide our future activity.

We are proud to have been able to lead the RCP over the past year but know that the successes and achievements outlined in this report are down to many. We would like to thank the Board of Trustees under the skilled leadership of David Croisdale-Appleby, the RCP Council, officers and volunteers, our regional and global networks and, of course, our staff for all that they have done to support the RCP. 2022 will see a new president and new challenges and we look forward to building on the successes of the past year.

“ We are particularly proud of two significant milestones – a growing membership which has surpassed 40,000 and the opening of The Spine, our new home in Liverpool. ”

Report of trustees

The trustees of the RCP are pleased to present their annual report for the year ended 31 December 2021. The report presents the RCP's activities, significant achievements and successes in 2021.



Message from the chair of the Board of Trustees

I am inspired by how much the RCP has achieved in 2021 despite the continuing challenges presented by COVID-19. Our physicians in all countries have been under unprecedented pressure and they are owed a very great debt of gratitude for the immense efforts they have made during the long duration of the pandemic. I would also like to express my appreciation to our president Andrew Goddard and the officers of the RCP for the national and international leadership they have shown.

The reduction in income in 2021, while not as severe as in 2020, made this year a further financially challenging one as restrictions associated with the pandemic continued. This made the return to an operating surplus in 2021 an excellent achievement. It is a tribute to the efforts of the leadership of the CEO and staff who worked hard to cut non-essential costs and mitigate the ongoing impacts of the pandemic on our priority areas of educating, improving and influencing – the key themes of this annual report and the RCP's new strategy.

Among the many highlights of a year of achievements mentioned in this report, the opening of RCP at The Spine in Liverpool marked the realisation of the vision to expand the RCP's reach and facilities to members and fellows in the north.

Chairing the Board of Trustees is a great privilege, and I wish to place on record my gratitude to my fellow trustees, whose thoughtful and careful governance of the RCP has been so effective in navigating us through to our current strong and stable position.

Professor David Croisdale-Appleby OBE

The Federation of the Royal Colleges of Physicians of the UK

The [Federation of the Royal Colleges of Physicians](#) is a collaboration between the Royal College of Physicians of Edinburgh, the Royal College of Physicians and Surgeons of Glasgow, and the RCP. Together, the three colleges represent more than 60,000 physicians worldwide.

The Federation develops and delivers services to support doctors at every stage of their careers, including:

- providing frameworks for continuing professional development (CPD) and its accreditation
- examinations (Membership of the Royal Colleges of Physicians of the UK – MRCP(UK), specialty certificate examinations and international clinical examinations)
- training curricula and quality criteria for training environments (Joint Royal Colleges of Physicians Training Board – JRCPTB).

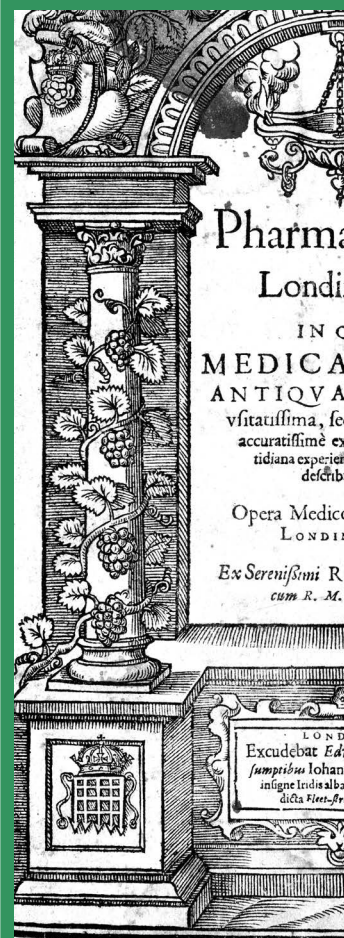
Highlights of key Federation activities are included in this report.

Our new strategy

The RCP is both a professional membership body and a registered charity. We developed our new strategy in 2021 following consultation with our members and stakeholders and it is mindful of our responsibilities in both of these roles. Our 3-year plan for 2022–24 identifies three main priorities:

- > **educating** physicians and supporting them to fulfil their potential
- > **improving** health and care and leading the prevention of ill health across communities
- > **influencing** the way that healthcare is designed and delivered.

These priorities are underpinned by a set of ‘enablers’: close engagement with the RCP membership, patient and carer involvement, a focus on diversity and inclusion, good governance and working in a sustainable way. This annual report sets out our activities and achievements in 2021 under the three priority areas with a section covering our enablers.



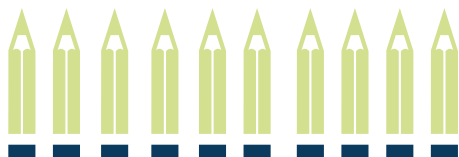
Educating

physicians and supporting
them to fulfil their potential

We strive for excellence in the training and continuing professional development of physicians and physician associates throughout their multifaceted careers. We develop them as career-long learners and improvers, leaders, educators and researchers. We formulate and present the knowledge of our members for wider public benefit.



Key educating activities in 2021



Over

800

consultant job descriptions were approved by RCP regional advisers

Our Assessment Unit assessed over

3,500

candidates



Over

400



RCP members completed our new interview skills training course

Nearly

8,500

doctors sat MRCP(UK) exams online



We supported over

1,500

international medical graduates to apply to work and train in the NHS



Over

1,200



delegates attended our award-winning annual conference Medicine 2021



More than

18,000

health professionals attended over 80 events hosted on RCP Player, our medical streaming service

We moved into **The Spine**, our new building in Liverpool featuring state-of-the-art assessment facilities



200,000

Our Medicine podcasts were downloaded more than 200,000 times



Our activities and achievements

Despite the enduring impact of COVID-19 on our activities in 2021, we continued to deliver examinations as well as excellent teaching and training opportunities, conferences and CPD. We worked hard to ensure that clinicians taking crucial exams experienced the least disruption possible, taking innovative steps to move courses and exams online and adding extra capacity.

Assessment and exams

The RCP Assessment Unit runs physician associate national examinations as well as assessments for specialty diplomas and MRCP(UK) PACES exams. Following exam cancellations early in the year due to COVID-19, we restarted exams in March, adding extra slots to help support the backlog of candidates. The unit assessed more than 3,500 candidates throughout the year.

New software allowed us to introduce online exams in June. A total of 300 candidates in 60 countries sat the Diploma in Tropical Medicine and Hygiene exam, the first exam to go online. Following this successful pilot, online exams became the new norm for all our knowledge-based assessments.

Through our work with the Federation of Royal Colleges of Physicians, we moved all MRCP(UK) part 1 and part 2 written exams online in the UK and some international centres. Nearly 8,500 candidates sat them in 2021.

The Federation developed the framework for a new PACES exam model, adapted for the pandemic situation and delivered by the three royal colleges of physicians to over 2,500 UK candidates.

There was no change in the academic standard, validity or reliability of the exam. We maintained international delivery of written exams and restarted PACES exams in the majority of international centres in late 2021.

Supporting physicians throughout their careers

Our year began with a fully virtual annual conference in January. With over 1,200 delegates, Medicine 2021 offered a wealth of fantastic learning opportunities with key speakers including Professor Chris Whitty and Sir Michael Marmot.

Our medical streaming service [RCP Player](#) hosted over 80 events offering a varied and stimulating programme, including:

- the first virtual 'Call the medical registrar' conference aimed at preparing trainees for transition into the role
- a specialty careers showcase offering useful insights to help those choosing their future career
- specialty and acute medicine webinars developed with our regional advisers
- forums to support new consultants.

We supported doctors with their continuing professional development (CPD), delivering workshops in virtual classrooms as well as COVID-safe face-to-face teaching in both London and Liverpool. Over 4,000 physicians attended our workshops, postgraduate courses and unique leadership initiatives such as the [Emerging Women Leaders](#) and [Chief Registrar](#) programmes. Many enjoyed the pioneering new technology at our Wolfson Virtual Theatre in The Spine, designed to support multiple learners.



[RCP OnlineEd](#), our platform for online learning, was accessed over 6,300 times. And our [RCP Medicine podcasts](#) went from strength to strength with over 200,000 downloads in 2021 – the series on health inequalities proving particularly popular.

We also developed an exciting range of new CPD programmes to support our members, including: a year-long [Six-step course for the new consultant](#), a virtual PACES revision course, a strategic change module for senior clinical leaders, and e-learning on obesity and smoking cessation.

Patient safety knowledge and skills were supported through a webinar on patient safety fundamentals and a themed edition of our *Future Healthcare Journal*.

Federation's CPD arm approved a wider variety of digitally delivered CPD, including over 4,000 applications for e-learning, livestreamed events and webinars. This allowed our members and fellows to record online learning for their CPD following the decrease in live events. The [JRCPTB ePortfolio](#) was also developed further to improve the ability of trainees to record their training and to aid review of career progression.

Our first virtual Faculty of Physician Associates (FPA) conference took place in November with 865 registered delegates. We created exclusive member-only resources to support PA career journeys and developed a new online revision aid – the PA question bank is due to launch in 2022 and will include hundreds of exam practice questions.

Curriculum development

More people than ever have multiple health conditions due to the increasingly older population in the UK. In order to focus on the broader training and generalist skills required to care for this group of patients, we worked with the JRCPTB throughout a multi-year project to integrate internal medicine capabilities into the physician specialty curricula and create a new standalone internal medicine curriculum (stage 2). The new curricula have been approved by the GMC and will be implemented in 2022. We are delighted that this substantial project is completing on time and secure transition arrangements are in place.

We supported development of the national curriculum and national licensing examinations for PAs after the profession becomes statutorily regulated.

We were commissioned by Health Education England to develop national curricula for advanced clinical practitioners, initially in three specialties with work continuing in 2022.

On behalf of the Academy of Medical Royal Colleges (AoMRC) and working in partnership with the National Institute for Health Research (NIHR) we are developing a Clinician Researcher Credentials Framework. We launched pilot versions of the core research practice element in 2021.

Our international work

Due to COVID-19, most of our international workshops and development activities moved online in 2021. We delivered 19 educational events for RCP members and fellows outside of the UK, attracting over 4,800 participants.

We ran several partnership webinars to provide dedicated COVID-related medical education to colleagues across South Asia, expanded our faculty development work with the Swiss Medical Institute and developed leadership training for women in developing countries with a pilot programme planned for 2022.

Our new Global strategy outlines support for our international members and fellows in 119 countries and maps out plans to grow and diversify our membership through to 2024.

We supported over 1,500 international medical graduates in their application to experience UK training. The Medical Training Initiative facilitates visa and GMC registration while providing excellent candidates to the NHS workforce.

A new RCP-Iraq membership network led by RCP international adviser Dr Hilal Al-Saffar offers a tailored medical education course and research course to address local needs. The network has driven an eightfold increase in RCP membership in Iraq.

Supporting recruitment of doctors

More than 800 consultant job descriptions were approved by RCP regional advisers with over 50 % benefiting from recommendations made in an RCP review. RCP representatives helped to appoint to 475 consultant, honorary consultant and staff, associate specialist and specialty (SAS) doctor posts.

A total of 417 RCP members completed our newly launched interview skills training course, with 77 % of an eligible 248 members registered to act as RCP representatives on consultant interview panels.

We developed guidance and support to help with the recruitment of SAS doctors into the new specialist doctor grade, training 20 SAS assessors to represent the RCP on interview panels.

Improving

**health and care and leading
the prevention of ill health
across communities**

We improve the quality, outcomes, safety and experience of patient care by developing and setting standards. We support the clinical community to embed those standards by enabling and sharing local, regional, national and international quality and service improvement initiatives. We continually seek to identify and respond to the improvement challenges that our members face in practice.



Key improving activities in 2021

We assessed

72

clinical services for accreditation in one of our five programmes



We completed

12

invited reviews to support healthcare organisations



Over

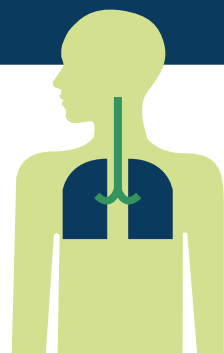
5 million

procedures were captured on the National Endoscopy Database



Almost **250** chief registrars have benefited from our flagship leadership programme since its launch in 2016

250



Almost

100

clinicians completed our training in quality improvement for respiratory care

We produced

4

new clinical guidelines on behalf of NICE



We published key guidance on good practice for **modern ward rounds**

We published

9

national audit reports covering COPD, asthma, lung cancer care, inpatient falls, hip fracture care and fracture liaison services



Our activities and achievements

We worked directly with physicians and their teams to support quality improvement initiatives and design person-centred services. Although things had to be adapted for the pandemic, our audit and accreditation programmes successfully supported many clinical services to aspire to higher standards. We developed new resources and involved patients and carers to help shape best practice.

Audit and service review

The RCP continued to be commissioned by HQIP to deliver three national clinical audit programmes:

- National Asthma and COPD Audit Programme (NACAP)
- Falls and Fragility Fractures Audit Programme (FFFAP)
- National Lung Cancer Audit Programme (NLCA).

In 2021 we published nine reports on COPD, asthma, lung cancer care, inpatient falls, hip fracture care and fracture liaison services. We published a FFFAP patient involvement guide for NHS organisations to share good practice and tips.

Our invited reviews support healthcare organisations requiring independent and external advice. We completed 12 invited reviews during the year, adapting them to run virtually. We contributed to the Academy of Medical Royal Colleges (AoMRC) framework for invited reviews along with other royal colleges and professional bodies.

Accreditation

We continued to assess the quality of clinical services through our [accreditation programmes](#) for endoscopy, allergy, pulmonary rehabilitation, primary immunodeficiency and liver services. These programmes went from strength to strength with 34 new services registering in 2021. Feedback highlighted that RCP accreditation is a valuable way to support the restoration of services following the impact of the pandemic.

We delivered 72 accreditation assessments either remotely or with remote and on-site elements. Early feedback from clinical and lay assessors indicates that the process has remained rigorous. We continue to seek and act on feedback to ensure we deliver assessments robustly and to high standards.

The JAG Endoscopy team launched updated standards in October, which streamlined the process for services benchmarking themselves against the standards. A major new version of [JETS](#), the [JAG Endoscopy Training System](#), was developed and is due to launch in 2022.

The [JAG National Endoscopy Database](#) (NED) is the only database of its kind that collects real-time clinical data from endoscopy reporting systems. It has proven to be an invaluable source of intelligence about the impact of COVID-19 on services in terms of recovery. NED began collecting data in 2016, and during 2021 over 5 million procedures were captured. In 2022 we will explore opportunities to enable this unique platform to support broader visions around transformation of endoscopy services and training in the UK.



Training and development

Our flagship [Chief Registrar Programme](#) supports doctors in training to lead service improvements in the NHS. It continued to grow in 2021 with over 90 participants from 57 trusts and health boards joining. Almost 250 medical trainees have completed this highly regarded development programme to date.

Over 500 trainees participated in our first virtual [regional poster competition](#) to showcase outstanding projects and initiatives.

We worked with the NHS Getting it Right First Time (GIRFT) programme, patient-facing teams and the wider NHS to deliver a series of four webinars showcasing best practice and expected standards of care in acute medical pathways. We also ran a webinar with NHSX on digital innovations in cardiology.

The NACAP developed local capacity to deliver improvement with a funding opportunity for respiratory care teams in England and Wales. Nearly 100 individuals from 37 participating teams completed online training in quality improvement skills and 14 people received training to provide coaching support to local teams implementing improvement projects. By establishing coaches as a source of support, we hope that local teams will maintain the momentum needed to achieve sustainable improvement.

The FFFAP designed and launched an [improvement collaborative for clinical teams](#) participating in its three audits (National Audit of Inpatient Falls, National Hip Fracture Database and Fracture Liaison Service Database).

Further afield, the Federation awarded accreditation to Iceland's stage 1 internal medicine training (IMT) programme (equivalent to UK training). Accreditation was also awarded to the IMT stage 1 programmes in Dubai and Thiruvananthapuram (Trivandrum) in India. We also provided online support to ARCP panels at other sites in India that deliver UK equivalent IMT, pending opportunities for face-to-face visits to accredit their programmes.

The first cohort of six trainees who completed UK equivalent IMT in our partnership programmes in India were successful in their bid to start higher specialty training in the UK.

New guidelines and resources

We published a report on [good practice for modern ward rounds](#) and supported the implementation of its recommendations via an improvement collaborative with the NHS Emergency Care Improvement Support Team and Royal College of Nursing. Participating teams reported delivering improvements in multiprofessional patient-centred care on wards. Patient participation was a key theme with our Patient and Carer Network (PCN) contributing to a series of national learning events to ensure the patient/carer's perspective helped shape this improvement work.

As part of a focus on medicines safety, we launched a new toolkit to support [medication safety at hospital discharge](#). It offers guidance for teams to improve their local processes. In addition, we worked alongside the PCN to produce a [checklist to support patients](#) to use medicines safely when leaving hospital. It aims to help reduce medication errors in this important area of safety.

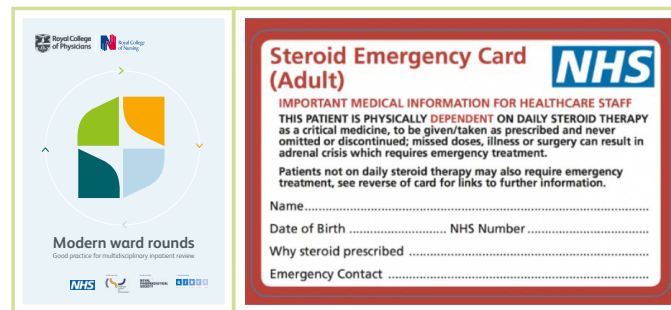
The [NHS Steroid Emergency Card](#) was implemented for patients across the four UK nations. This initiative was led by the RCP with the Society for Endocrinology.

Our National Guideline Centre developed several significant guidelines that were published by NICE this year. These included atrial fibrillation, sleep apnoea, heart valve disease, and chronic pain and ME/CFS.

Our study on the quality of [care given to hospital patients with COVID-19](#) in the UK was published in early August. Using retrospective case record review, it concluded that overall care was judged to have been adequate or better in 96.5 % of the patient cases. The report made recommendations for the NHS and healthcare teams.

Progress continued on a working party report on pharmacogenomics, and guidelines on the diagnosis of fibromyalgia syndrome – both will be published in 2022.

With support from NHSX, work began on redeveloping the RCP's Medical Care website into a modern, engaging portal showcasing innovative practice to support the delivery of long-lasting improvement in medical care. The new 'Medical care – driving change' portal will go live in 2022.



Influencing

**the way that healthcare
is designed and delivered**

We provide leadership to shape government, health and care policy and practice. We constantly improve our understanding of the drivers of good health, the physician community and the NHS. We are the voice of medicine and set standards for medical care, working alongside the wider medical community, patients and our partners to develop, promote and publish solutions.

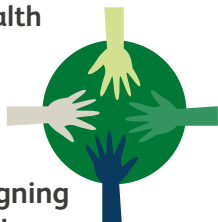


Key influencing activities in 2021

The Inequalities in Health Alliance grew to over

200

organisations campaigning for a cross-government approach to improve health



150,000

Nearly

150,000

people now follow us on social media



We spread the word with over

4 million

visits to our website

We published over

30

reports, toolkits and guidelines to support clinicians to improve practice



Described as a 'major morale booster', our **fortnightly president's bulletin**

provided key information and support to our members



Our new **smoking and health report**

set out recommendations for the forthcoming Tobacco Control Plan



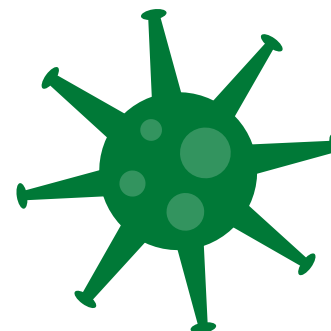
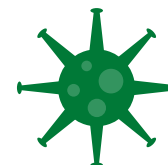
ClinMed promoted good practice with almost

400,000

article downloads per month

The RCP made the headlines with more than **11,000** appearances in the media

11,000



Almost

9,000

responses to our member surveys on COVID-19 shaped our campaigning with government



Our activities and achievements

Once again, COVID-19 highlighted the crucial importance of strategic communications and engagement for our influencing work. We communicated regularly with our members to keep them informed of the latest guidance and developments. Regular member surveys allowed us to advocate for physicians as they navigated this extraordinary period. With increased activity and output across all areas, we made significant progress against our key influencing priorities in health inequalities, workforce, integration and research.

Our policy priorities

Workforce and integration

We focused much energy on influencing the new Health and Care Bill. We mobilised the support of over 100 health and care organisations for an amendment advocating for regular, independently verified workforce projections. The amendment was supported by cross-party MPs and peers as well as the Health and Social Care Select Committee. The House of Lords voted to pass the amendment twice with significant margins, but unfortunately the House of Commons – which has the final say – voted to ultimately reject it. Although it did not make it into the final legislation, this campaign marked a significant moment for our work to support long-term workforce planning for the NHS and social care.

Our [Double or quits report](#) led to increasing calls for expanding the number of medical school places, while the annual physician census furnished parliamentarians and others with insightful data on the state of the medical workforce.

Health inequalities

Convened by the RCP in 2019, the [Inequalities in Health Alliance](#) gathered momentum in 2021 with 200 member organisations now signed up to campaign for a cross-government strategy. A letter to the prime minister was signed by over 90, a high-profile webinar was held in June, and a day of action held in September involving actor Simon Callow.

We worked with other key royal colleges and think tanks to secure [amendments to the Health and Care Bill on health inequalities](#). We also worked with NHS England's new health inequalities team and supported work on obesity, the climate emergency and alcohol harm.



Research

Following the launch of our online [research and innovation hub](#) in 2020, we continued to work with partners to make more research in the NHS a reality. After welcoming the government's vision for clinical research in March, in July we held the first 'Research for all' summit, bringing together NIHR, DHSC, GMC, NHS England and UKRD.

Our influence helped to push the clinical research agenda in a number of ways in 2021:

- > the UK government published [Saving and improving lives: the future of UK clinical research delivery](#) with priorities encompassing calls made by the RCP to embed research in the NHS
- > the DHSC confirmed funding for the [clinician researcher credential](#), managed by NIHR and RCP on behalf of AoMRC
- > the CQC strategy recognised the importance of research activity, following representations by RCP and other organisations
- > the Health and Care Act 2022 includes new duties for NHS bodies to facilitate clinical research.

We continued to influence wider healthcare safety and improvement through contributing to external consultations such as with All Party Parliamentary Groups and by being key members of NHS boards for acute deterioration, medicines safety, and the National Clinical Audit and Patient Outcomes Programme.

Media and engagement

The RCP's profile continued to grow with 11,000+ appearances in the media in 2021. Data from our series of COVID-19 surveys, which received over 8,800 responses from members, led to a proliferation of stories and surfacing of issues across digital, print and broadcast media.

Digital engagement increased with website visits up by 10 % to 4,233,020, and we grew our following on social media by 11 % to 144,849 across Twitter, Facebook, LinkedIn and Instagram.

Employee comms and engagement were hugely important during this unsettling period for our staff. Our HR and internal comms teams led key activities including Core Brief meetings of senior managers, all staff meetings and our weekly email bulletin *Parklife Weekly*.

“ Data from our series of COVID-19 surveys ... led to a proliferation of stories across digital, print and broadcast media. ”

Publishing

We moved our journals *Clinical Medicine* and *Future Healthcare Journal* fully online – a major project resulting in environmental benefits as well as financial savings. Submissions remained high and engagement continued to increase with average monthly downloads from both journals reaching almost 470,000 (compared with 312,000 in 2020). Our membership magazine *Commentary* featured interviews with leading figures, including Dame Sally Davies, Professor Mala Rao and Professor Chris Whitty, and a focus on SAS doctors and PAs.

To support our members and the wider health community in delivering the best care and practice, we published over 30 reports, toolkits and guidelines. Key publications included guidance on [eating and drinking difficulties](#), effective [modern ward rounds](#) and the results of the 2020 consultant census. Almost 60 years after the RCP's first report on tobacco, a new report on [smoking and health](#) reviewed the UK's progress in reducing smoking prevalence and set out recommendations for the forthcoming Tobacco Control Plan.

Our work with NHS GIRFT programme leaders enabled the sharing of lessons learnt from the GIRFT reports as well as building a platform for implementation with physician leaders.

Promoting medicine and the RCP

We hosted a number of high-profile events in The Spine which helped to cement our new role as a key player in Liverpool. This included the prestigious Harveian Oration, which was given by Professor Sir Jonathan Van-Tam and focused on respiratory virus vaccines, therapeutics and public health policy.

Our museums team developed a highly effective digital programme on the history of medicine and promoting public awareness of the RCP. We held 45 virtual events, tours and talks, including four events run in collaboration with external partners and 17 tours. These were received positively, with our **RCP Unseen** online exhibition receiving a 4/5-star review in *The Times*.



Our enablers



Our enablers form threads that run through and support each of our three priorities.

1. Membership engagement

The opening of The Spine took place in 2021, marking the culmination of our 5-year vision to transform our reach and facilities for members in the north.

Our conferences and events provided a key platform for engaging with our members and fellows. With over 1,200 delegates, Medicine 2021 was our largest and most successful annual conference to date. We were delighted to win best large membership event in the annual Memcom Awards for the second time.

[RCP Player](#) continued to offer new opportunities for membership engagement with over 80 events hosted across the year. We saw 11,000 members and over 7,000 non-members interact with the RCP via a wide-ranging programme of events – a huge increase compared with around 3,000 in recent pre-pandemic years.

We increased regional engagement with our college tutor (CT) and associate college tutor (ACT) community. A total of 346 delegates registered to attend our virtual CT and ACT conference and we were delighted that 100% said they would recommend it to a colleague.

We held our first SAS physicians week in July, highlighting SAS doctors working in education, research and leadership roles and demonstrating SAS careers as a viable alternative to the consultant role.

We carried out an annual survey on the experiences of and outcomes for doctors who completed their certificate of completion of training during 2019 and 2020.

Our popular [Excellence in Patient Care Awards](#) had over 120 entries in 2021 highlighting innovative and outstanding projects across the NHS.

2. Working with patients

Our [Patient and Carer Network](#) members contributed invaluable expertise to a substantial number and variety of RCP projects and guidance throughout 2021. These included the modern ward rounds report, medicines safety materials, FFFAP Patient and Carer Panel, clinical research e-learning modules, the six-step course for consultants, FPA Board, Chief Registrar Programme and *Future Healthcare Journal*.





3. Diversity and inclusion

We promoted diversity and a more inclusive face of the RCP. This encompassed an RCP-wide diversity and inclusion work programme, and publication of a 1-year on progress report of Ben Summerskill's [independent review](#) into this area. Our new diversity in communications policy is leading to a more inclusive editorial approach, improved gender and ethnicity balance in our event speaker line-ups and plaudits from NHS England for our influence on the first Medical Workforce Race Equality Standard report.

We appointed four associate global directors and 14 additional international advisers (with a threefold increase in the number of women). They provided advice and insight into health systems and local epidemiology, assisting the RCP in influencing healthcare around the world.

Through our work with Federation, we investigated training data from an equality and diversity perspective. We made improvements to advance the quality of data collected in the ePortfolio and the provision of targeted information. This will improve trainees' access to exams and applications for higher specialty training.

4. Governance and stakeholder engagement

Our annual general meeting and College Day were held as hybrid meetings to allow maximum participation by the membership during the pandemic. This format will be retained to increase engagement in the future.

RCP Council approved a new conduct scheme for our membership aligned to the RCP Code of Conduct, and we undertook a review of fellowship election processes to design a new fairer, more transparent system for launch in 2022.

We successfully completed the NHS toolkit process to facilitate data sharing with NHS partners into 2022.

We implemented a new cybersecurity training platform for staff and renewed our CyberEssentials Plus accreditation.

5. Sustainability

Following completion of the building and fit-out, RCP staff based at the William Henry Duncan building in Liverpool moved into The Spine in May 2021.

We worked to ensure The Spine is in a position to achieve BREEAM Excellence certification and the WELL Platinum Standard – an audited standard of wellness in buildings – making it one of the healthiest work and events spaces in the UK. We supported installation of one of the largest AV over internet protocol systems in Europe.

Our external events generated £1.979m in unrestricted funds in 2021 to support RCP activities.

We launched two new commercial events brands in London and Liverpool, RCP London Events and RCP Spaces at The Spine, future-proofing our business for a post-pandemic world. We were delighted to win bronze awards for best COVID-19 response in hospitality and best conference venue facilities at the London Venue and Catering Awards.

We worked to increase income potential by developing a robust tenant market for space in our London and Liverpool buildings. A number of new tenants have taken up occupancy.

Looking ahead



In 2022 we plan to carry out the following activities, grouped under our three priority areas and enablers:

Educating

- > work with Health Education England to support the transition of flexible portfolio training into business as usual
- > review the models of credentialing we have piloted
- > continue to work with the GMC and the physician associate profession on regulation, finalising the curriculum and licensing examination requirements
- > review online delivery of written examinations in the UK and explore the expansion of online written examinations internationally
- > develop a revised model for PACES 2020 and establish new partners to expand international delivery
- > introduce a second diet for the specialty certificate exams (SCEs) and harmonised European specialty examinations where requested
- > map the SCEs to the new group 1 specialty curricula and support the transition of trainees
- > develop new documentation and training packages for Certificate of Eligibility for Specialist Registration (CESR) assessors
- > survey CPD diary users to inform improvements and explore CPD approval for selected overseas major academic meetings

- > work with international partners to launch the internal medicine stage 1 training programme, support the transition to the new IM stage 2 curriculum and survey trainees
- > support, monitor and review the implementation of IM stage 2 and group 1 curricula, and support ST4 recruitment

Improving

- > deliver a quality assurance programme for consultant and SAS doctor job descriptions and provide trained RCP representatives for interview panels
- > deliver an invited review service for healthcare organisations
- > develop and expand the Chief Registrar Programme
- > build networks of alumni and improvement experts to inform and support our work
- > deliver national clinical audit programmes in COPD, adult and children and young people's asthma care, pulmonary rehabilitation and falls and fragility fracture care
- > run a virtual collaborative for teams participating in the Falls and Fragility Fractures Audit Programme
- > continue the roll-out of improvement training resources for respiratory teams in England and Wales
- > increase the number of services registering with and gaining accreditation across our programmes



- > launch a pilot programme for inpatient diabetes care accreditation
- > launch the redeveloped RCP Medical care – driving change website to showcase innovative improvement practice

Influencing

- > continue to be a key voice for medicine through a strategic programme of communications and engagement activity, including:
 - > developing our media profile, online brand and social media
 - > replacing our main website and developing RCP Player, our medical streaming service
 - > a focus on our journals and research content
 - > a diverse and stimulating conference programme
- > publish the 2021 post-CCT survey and census results and continue to call for an expansion of the medical and wider NHS workforce
- > lead the Inequalities in Health Alliance and the campaign for a cross-government strategy, aiming to increase membership of the alliance
- > support a more research-active NHS
- > work with government to influence the public health agenda with a particular focus on air pollution, alcohol, obesity, smoking and the climate emergency
- > help shape the development and delivery of the digital health agenda
- > conserve, interpret and contextualise our historical resources to promote the history of medicine and the RCP through a programme of exhibitions and events





Our enablers

1. Membership engagement

- develop our membership through the delivery of the SAS strategy 2022–24, the RCP Launchpad for new consultants and a more inclusive fellowship election process
- develop our global ambitions through international adviser networks; the Global Women Leaders Programme; and partnership work with the East, Central and Southern Africa College of Physicians (ECSACOP) and other physician colleges
- develop the membership offer through consultation on membership value, workforce and policy priorities
- further develop and deliver UK regional meetings, new consultant, SAS doctor and physician associate forums, and face-to-face networking opportunities for members and fellows
- benchmark, measure and monitor membership growth across membership groups and career stages

2. Working with patients

- work with our Patient and Carer Network to enhance the impact of the patient voice in the RCP

3. Diversity and inclusion

- continue with our action plan to implement the recommendations in the Summerskill diversity and inclusion report so that all our fellows, members, staff and volunteers are enabled to contribute fully to our work
- develop a common approach to monitoring equality and diversity data across the Federation

4. Governance and stakeholder engagement

- provide robust governance frameworks for RCP activities, including committee representation, RCP Council, invited reviews and conduct procedures
- support the RCP workforce by developing a new internal communication strategy and updating our intranet

5. Sustainability

- design and implement core infrastructure at the RCP's London office to host local services
- upgrade the Wi-Fi in London to ensure safe, high-speed connectivity
- launch a reinvigorated meetings and events service for external guests in London and Liverpool
- position Spaces at The Spine as a premium event and conference venue in Liverpool
- develop a longer-term real estate strategy for our building in London
- apply for WELL Platinum Standard and BREEAM Excellence certification for The Spine
- work towards ISO 20400 accreditation for sustainable procurements



Our structure, governance and management

The RCP is a registered charity (no. 210508), incorporated by royal charter dated 23 September 1518, affirmed by an act of parliament in 1523. The charter of 1518 was amended by a supplemental royal charter dated 11 March 1999. The governing instruments of the RCP are the royal charters, and the bye-laws as amended from time to time. The RCP is also registered at Companies House as a company incorporated by royal charter (no. RC000899).

Board of Trustees

The Board of Trustees is the RCP's governing body and meets five times a year – four main quarterly meetings plus a November budget review meeting. It is responsible for:

- ensuring the RCP operates within its charitable objectives, and its standing orders in terms of matters reserved for the Board and those delegated to the CEO and college officers
- providing strategic direction
- agreeing the RCP annual operations plan and monitoring the progress of performance against that plan
- ensuring the effective management and custody of all RCP assets.

The RCP is committed to ensuring best practice governance and the Board of Trustees embeds the Charity Governance Code to ensure the organisation's effectiveness:

- **Organisational purpose** – the Board of Trustees is clear about the RCP's purpose, vision and mission as described in this report, and the public benefit this serves in supporting the evolution of the healthcare agenda. The new RCP strategy, launched at the beginning of 2022, will guide our planned activities from 2022–24.
- **Leadership** – in addition to setting strategy, the Board of Trustees seeks to provide leadership for the RCP and ensure delivery of the charity's aims and values by the involvement of trustees (officers and lay trustees) alongside the executive team in key committees.
- **Integrity** – trustees are expected to follow *The 7 principles of public life* drawn up by the Committee on Standards in Public Life. The RCP has embedded its Code of Conduct and organisational values within all areas of its business. A raising concerns policy is in place to support and encourage a responsive culture where people can speak up when things go wrong and the organisation can continue to learn and improve. An anti-fraud policy is also in place, supported by existing RCP policies including hospitality and gifts (anti-bribery). [A statement](#) relating to the Modern Slavery Act is on the RCP website.



- > **Decision-making, risk and control** – in order to ensure strong oversight of the organisation by the Board of Trustees, the RCP commissioned two internal audits in 2021. The RCP continues to embed improved risk identification and reporting.
- > **Board effectiveness** – the members of the Board reflect the complexity of the organisation. As part of the ongoing modernisation of governance and effectiveness of trustees a lay chair was appointed in June 2019.
- > **Diversity** – the Board currently has a diverse membership, and this will be kept under review. In 2020 the RCP published an independent review of equality, diversity and inclusivity across all areas of activity with recommendations to the trustees. This was followed up in 2021 with a one-year report on our progress.
- > **Openness and accountability** – the RCP has many touchpoints with a wide variety of stakeholders. As part of the bye-law review consideration was given to aligning a Council meeting with the annual general meeting to improve attendance and enable a question-and-answer session with trustees as part of the meeting.

The Board of Trustees has the authority to delegate any of its powers to the RCP's boards and committees. Ultimately, all decisions apart from changes to the bye-laws and regulations are either taken by or on behalf of the Board of Trustees, and reported at the annual general meeting.

The Board of Trustees comprises:

- > senior officers of the RCP (*ex officio* – six)
- > members nominated from Council (four)
- > lay members appointed by the Board of Trustees (five).

Trustees are inducted in the operations of the RCP as well as their statutory obligations as a charity trustee when they are appointed. The training requirement for trustees is kept under regular review. An online governance hub makes material more accessible to trustees and an online declaration of personal interests and good standing of trustees supports good governance processes.

RCP Council

Council meets six times a year. Its function is to develop RCP policy in relation to professional and clinical matters, and to give authority to:

- > RCP statements and publications
- > conduct and results of the MRCP(UK) examination
- > elections to the fellowship and membership as well as of RCP officers.

There is one board with specific responsibility to the Council:

- > Medical Specialties Board.



RCP officers

The senior officers of the RCP (president, vice presidents, treasurer and registrar) are all trustees of the charity. Their involvement in all of the main boards and committees of the RCP ensures that due consideration is given to the RCP's charter and bye-laws on every occasion.

Annual general meeting

The annual presidential election is held on the first Monday after Palm Sunday by act of parliament. The AGM was decoupled from the presidential election in 2020 and now takes place in September.

Fellows

Fellowship is the highest level of membership of the RCP and comes with many benefits and responsibilities. Fellows have distinguished themselves in the practice of medicine, medical science or medical literature. At the time of election, the fellow is normally a member of the RCP of at least 4 years standing, in a substantive consultant post for a minimum of 3 years, and making a significant contribution in one or more of these areas of practice. Fellows are nominated for election by Council and have the right to stand for office, to vote for officers and to attend and vote at the AGM.

Boards

There are four boards with specific responsibility to the Board of Trustees. They are:

- > Council
- > Finance and Resources Board
- > Audit and Risk Committee
- > Remuneration Committee.

Four further boards report on the operational work of the RCP under the strategy themes and report through the operational plan to the Board of Trustees:

- > Care Quality and Improvement Board
- > Education Board
- > Membership Support and Global Engagement Board
- > Communications, Policy and Research Board.



Finance and Resources Board

In 2021 the Finance and Resources Board met four times. It has responsibility for:

- agreeing and monitoring the application and use of resources
- monitoring the business planning process and delegating decisions on new activities to senior management within agreed financial limits.

The Board is chaired by the treasurer, and its membership includes the president and registrar (both ex officio), two elected members of Council, two other fellows and up to five members from outside the RCP.

There are two committees with specific responsibility to the Finance and Resources Board. They are:

- Funding Awards Committee (formerly Trust Funds Management Committee)
- Investment Advisory Panel.

Audit and Risk Committee

This committee is responsible for internal controls, risk management and audit, leading to assurances on the veracity of the financial and management statements. During the year the committee commissioned two internal audits by Haysmacintyre, as part of a continuing series which seeks to examine and improve various financial and operational practices of the RCP.

Remuneration Committee

This committee provides independent review and recommendations to the Board on the RCP's remuneration policy, pay awards, senior staff performance reviews, and pay and related matters.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with International Financial Reporting Standards (FRS102) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the group's net incoming or outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the presentation principles in the Charities' Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 charity and the group will continue to operate.



The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the royal charters and bye-laws. They are also responsible for safeguarding the assets of the charity and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees of the charity are aware of their duty under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

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

Management

Responsibility for the day-to-day operations of the RCP is delegated to the chief executive, who is accountable to the Board of Trustees. The management and staff of the RCP are structured to carry forward the work and achieve the objectives of the RCP, and to provide support services. Each department of the RCP is also overseen at a governance level by a designated officer.

Key management personnel are considered to be those personnel who have the authority and responsibility for planning, directing and controlling the activities of the RCP. Key management personnel are remunerated within the RCP's general staff policy for pay and reward that is competitive within the charity sector, proportionate to the complexity of each role, and responsible in line with our charitable objectives.

A large number of volunteers are involved with the RCP's work, in the UK and abroad. The vast majority are doctors who are RCP members who support RCP activities, such as by being examiners, regional advisers, or representatives on consultant appointment committees. There are many more examples, and the RCP also has a Patient and Carer Network which allows members of the public to become involved. Medical staff give their own time, but also rely on NHS guidance about the ability to use NHS time for the greater benefit of the NHS.

Modern slavery statement

Pursuant to section 54(1) of the Modern Slavery Act 2015, the RCP has published [a slavery and human trafficking statement](#) on its website.

Risk management

The trustees have overall responsibility for risk management in the RCP. Agreed processes are in place by which the trustees review, identify and assess major risks and agree with management the controls that already are, or will be, put in place to manage those risks. These details form part of the risk register, which trustees regularly review in full. The controls put in place provide a reasonable but not absolute assurance that risks have been adequately mitigated.

Risk issues in the day-to-day operation of the RCP are delegated to management to monitor and implement appropriate control measures. Any new areas of risk identified are reported to the Audit and Risk Committee, including how they have been managed. The Audit and Risk Committee reports any areas of concern to the trustees, with recommendations for corrective action.

The principal categories of risk that the RCP monitored and sought to mitigate in 2021 and into 2022 are:

Area of risk	Risk	Mitigating factors
COVID-19	<p>Disruption to revenue streams due to cancellation of exams, conferences and events as a result of ongoing pandemic impact</p> <p>Potential impact on member engagement, operational delivery and staff welfare due to new flexible model of working</p>	<ul style="list-style-type: none"> ➤ Strategic planning and additional resourcing to work through examination candidate backlogs ➤ Strategic planning to safety-net event speaker and staff absence due to isolation or illness ➤ Use of government furlough scheme until its end in October 2021 ➤ Continuation of cost improvements, including job vacancies not being replaced, reductions in workforce and savings in non-payroll costs ➤ Establishment of working groups looking at staff and estates related issues ➤ Weekly communications huddle to address immediate policy and communications requirements ➤ Implementation of policy positions from government relating to Covid-19 protocols across the estates to mitigate and minimise risks for the organisation ➤ Investment in digital solutions across the estate to facilitate self-service virtual and hybrid meetings ➤ Establishing and utilisation of new digital channels ➤ Monitoring through staff, membership, and customer surveys

Area of risk	Risk	Mitigating factors
Governance	The governance structure for Federation activity is suboptimal, which could impact the current effective relational ways of working, impacting on sustainability of this key area of income	<ul style="list-style-type: none"> ➤ Current memorandum of agreement (MoA) was agreed and signed in December 2018 ➤ Independent audit of the Federation undertaken in 2021 ➤ Detailed operational plans in place ➤ Separation of financial reporting and audit of all financial aspects undertaken ➤ Implementation of Federation governance of federation board and federation management committee to support delivery of operational planning and lines of reporting back to the three college governance structures ➤ Ongoing review of all financial functions related to finance and tax reporting
Estate management	<p>Ageing (Grade I) estates infrastructure in London, and the new estate in Liverpool</p> <p>Size and fitness for purpose of estate for core charitable purpose and strategy</p>	<ul style="list-style-type: none"> ➤ A capable property and facilities team, supported by advisers CBRE ➤ Ongoing lease negotiations with the Crown estate ➤ Dedicated team leading on leasing opportunities for both estates to income generate from surplus capacity ➤ Deployment of digital solutions across the estates to support meetings and events ➤ Governance and financial oversight plans in place
Operational plans – RCP at The Spine	Ability to realise the benefits of RCP at The Spine as set out in the business case now the estate is open	<ul style="list-style-type: none"> ➤ Senior officers and executive directors leading on opportunities for engagement in Liverpool and the surrounding area ➤ Partnerships with Liverpool health partners, universities and other organisations to establish and grow RCP presence ➤ RCP policy commitment to work through the alliance on improving the quality of health and access to health in Liverpool and the surrounding area ➤ Focus on financial management/planning, supported funding proposals ➤ Regular communication to staff and membership

Area of risk	Risk	Mitigating factors
Financial risks	<p>Obligations arising from the closed defined benefit pension scheme, arising from changing market conditions and reassessment of benefits</p> <p>Ability to generate income/fundraise and grow/diversify the revenue base and our ability to control costs and manage inflationary pressures causing cash management strain</p> <p>Loss making trading activities</p>	<ul style="list-style-type: none"> ➤ Updated triennial valuation dated 1 January 2021 to provide certainty over recovery plan contributions and duration. ➤ Assumptions built into 2022 budget ➤ A strong Defined Benefit Trustee Board ➤ Increased focus on cash management, forecasting and longer-term planning. ➤ Established team assisting the RCP to raise funds for strategic purposes ➤ Proven success in delivering activities in a virtual and hybrid way ➤ Move to virtual events with lower costs in both the charity and trading company to mitigate loss of income as a result of COVID-19
Environmental or external factors	<p>Government policy on the NHS and impact on medical professionalism and standards, while remaining aligned to the views of our members</p> <p>Delivering on our ambitions for carbon neutrality and our impact on the environment</p>	<ul style="list-style-type: none"> ➤ Continued influence on the engagement plans with our members and government on NHS policy ➤ Continued reinvestment to modernising fuel efficiency across the estates ➤ Reviewing and reducing our carbon footprint to travel ➤ Leading on technologies in the UK within our Liverpool estates having achieved BREEAM Excellent Standard and the WELL Platinum Award ➤ Governance reviews underway of policies ensure they are supportive of reducing our carbon footprint
Digital capabilities	<p>Failure to invest and realise benefits from development of digital infrastructure to enhance members and stakeholder experiences</p>	<ul style="list-style-type: none"> ➤ Strategic investment in new website and digital technologies ➤ Establishment of digital engagement group ➤ Working in collaboration with digital lead and fellows to work across the organisation in shaping the digital strategy
Cyber security	<p>Risks arising from cyber threats as a result of credential compromise, data leaks or network compromise</p>	<ul style="list-style-type: none"> ➤ Mandatory training for all staff in GDPR and cyber security ➤ Corporate exercises to test the resilience of cyber security across the organisation through vulnerability scans, penetration testing and other reviews ➤ Further training provided where further learning is identified

Officers and key staff of the RCP

The officers, trustees and councillors listed below served during 2021. Current lists can be found via www.rcp.ac.uk/about-us/who-we-are/our-governance

Visitor

Her Majesty The Queen

Officers of the RCP

College officers represent the interests of our fellows and members. They provide strategic leadership and lead the way on policy development, playing an important role in representing physicians' interests in the development of the profession and standards of healthcare.

Senior officers

President

Sir Andrew Goddard

Registrar

Dr Cathryn Edwards OBE (appointed May 2021)

Dr Peter Belfield (interim registrar until June 2021, following the death of Professor Donal O'Donoghue in January 2021)

Treasurer

Professor Chuka Nwokolo CBE

Clinical vice president

Dr Sarah Clarke

Academic vice president

Professor Ramesh Arasaradnam OBE (appointed August 2021)

Professor Cheng-Hock Toh CBE (demitted July 2021)

Vice president for education and training (senior censor)

Professor Áine Burns

College officers

Vice president for Wales

Dr Olwen Williams OBE

Vice president – Global

Dr Mumtaz Patel

Deputy treasurer

Professor Simon Bowman

Linacre fellow

Dr Joanna Szram

Harveian librarian

Dr Louella Vaughan

Patient involvement officer

Dr Amy Proffitt (appointed August 2021)

Dr Helen Gentles (demitted July 2021)

Censors

Dr Tun Aung (appointed August 2021)

Dr Jyoti Baharani

Dr Celia Bielawski (demitted July 2021)

Professor Rudolf Bilous

Dr Manish Gautam

Dr Harriet Gordon (appointed August 2021)

Dr Rasha Mukhtar

Dr Catherine Sargent

Medical directors

Medical director of CME and CPD

Professor Áine Burns

Medical director of publishing

Professor Anton Emmanuel

Director, Medical Workforce Unit

Dr Sarah Logan (appointed December 2021)

Dr Nigel Trudgill (demitted November 2021)

Director, invited service reviews

Dr Adam De Belder (appointed September 2021)

Dr Peter Belfield (demitted August 2021)

Clinical leads

Clinical director for quality improvement and patient safety

Dr John Dean

Clinical director for audit and accreditation

Dr Jane Youde (demitted November 2021 – role not directly replaced)

Clinical director for digital health

Dr Wajid Hussain

Editor-in-chief, Clinical Medicine and Commentary

Professor Anton Emmanuel

Editor – Future Healthcare Journal

Dr Kevin Fox

Specialty and associate specialist (SAS) lead

Dr Waleed Arshad

Examiners

RCP chief examiner

Dr Emma Vaux OBE

Supported by four senior examiners:

Senior examiner: RCP PACES

Dr Abdul-Majeed Salmasi

Senior examiner: Physician Associate National Examinations

Jade Moore

Senior examiner: Diploma in Tropical Medicine and Hygiene

Dr Uli Schwab

Senior examiner: Diploma in Geriatric Medicine

Professor Michael Vassallo

Other senior roles

Deputy registrars

Dr Alastair Gilmore

Dr Sonia Panchal

Deputy directors, Medical Workforce Unit

Dr Sarah Logan and Dr Rifca le Dieu (job-share, demitted November 2021)

Deputy medical director, invited service reviews

Dr Jonathan Bennett

Dr Adam De Belder (demitted August 2021)

Clinical lead for engagement – The Spine

Dr Louise Bate (demitted August 2021 – role not replaced)

Garden fellow

Dr Henry Oakeley

Representative on the Advisory Committee of the Chelsea

Physic Garden

Professor Michael de Swiet

Officers of the Federation

Executive medical director

Dr Gerrard Phillips

Medical director, training and development

Dr Mike Jones

Medical director, assessment

Dr Kenneth Dagg

International medical director, training and development

Professor David Black

International medical director, assessment

Dr Donald Farquhar

Medical director, CPD

Dr Adrian Jennings

Associate medical director, written exams

Professor Albert Ferro

Associate medical director, clinical exams

Dr Stuart Hood

Deputy medical director, JRCPTB

Dr Alastair Miller

Board of Trustees

The RCP's governing body is responsible for ensuring the RCP operates within its charitable objectives, agreeing and monitoring the RCP operational plans and ensuring the effective management and custody of all RCP assets.

Ex-officio members (senior officers)

Sir Andrew Goddard

Dr Cathryn Edwards OBE (appointed May 2021)

Dr Peter Belfield (interim registrar until June 2021, following the death of Professor Donal O'Donoghue in January 2021)

Professor Simon Bowman (appointed April 2022)

Professor Chuka Nwokolo CBE (demitted March 2022)

Dr Sarah Clarke

Professor Ramesh Arasaradnam OBE (appointed August 2021)

Professor Cheng-Hock Toh CBE (demitted July 2021)

Professor Áine Burns

Members nominated from Council

Dr John Dean (demitted December 2021)

Professor Namita Kumar

Dr Iain Lawrie

Dr Joanna Szram (appointed April 2021)

Lay members

Professor Charles Baden-Fuller

Sarah Barzycki

Andrew Chandler

Professor David Croisdale-Appleby OBE

Graham Meek

Members of Council

Council develops RCP policy in relation to professional and clinical matters. Members hold voting rights. Other college officers and roles are *in attendance* at Council but do not hold voting rights.

President

Sir Andrew Goddard

Senior censor and education and training vice president

Professor Áine Burns

Clinical vice president

Dr Sarah Clarke

Academic vice president

Professor Ramesh Arasaradnam OBE (appointed August 2021)

Professor Cheng-Hock Toh CBE (demitted July 2021)

Treasurer

Professor Chuka Nwokolo CBE

Registrar

Dr Cathryn Edwards OBE (appointed May 2021)

Dr Peter Belfield (interim registrar until June 2021, following the death of Professor Donal O'Donoghue in January 2021)

Vice president for Wales

Dr Olwen Williams OBE

Vice president – Global

Dr Mumtaz Patel

Representative of the Faculty of Occupational Medicine

Professor Steven Nimmo (appointed June 2021)

Dr Anne de Bono (demitted May 2021)

Representative of the Faculty of Pharmaceutical Medicine

Dr Flic Gabbay (appointed November 2021)

Professor Tim Higenbottam (demitted November 2021)

Representative of the Faculty of Physician Associates

Kate Straughton

Representative of the Faculty of Public Health

Professor Maggie Rae

Representative of the Faculty of Forensic and Legal Medicine

Professor Paul Marks (appointed May 2021)

Dr Margaret Stark (demitted May 2021)

Representative of the Faculty of Intensive Care Medicine

Dr Alison Pittard

Representative of the Royal College of Emergency Medicine

Dr Katherine Henderson MBE

Representatives of the regional advisers

Dr Anita Banerjee (appointed June 2021)

Dr Philip Johnston (appointed January 2021)

Dr Mick Kumwenda

Dr Christopher Roseveare (appointed June 2021)

Dr Kanwaljit Sandhu (demitted March 2021)

Elected councillors

Dr Tun Aung

Dr Angshu Bhowmik

Dr Kaushik Chaudhuri (demitted July 2021)

Dr Parijat De (demitted July 2021)

Professor Rob George

Dr Helena Gleeson

Dr Ruth Law

Dr Catherine Mummery (appointed August 2021)

Dr Ananthakrishnan Raghuram MBE (appointed August 2021)

Professor Tom Solomon CBE

Dr Joanna Szram (demitted July 2021)

Dr Mark Temple

Dr Jenny Vaughan

Dr Louella Vaughan (appointed August 2021)

Dr Robert Wright

Representatives of the censors

Professor Rudolf Bilous

Dr Rasha Mukhtar (appointed August 2021)

Dr Celia Bielawski (demitted July 2021)

continued overleaf

Chair of the Patient and Carer Network

Eddie Kinsella

Representatives of the New Consultants Committee

Dr Katie Honney

Dr Kailash Krishnan (appointed December 2021)

Dr Ajay Verma (demitted December 2021)

Representatives of the Trainees Committee

Dr Michael Fitzpatrick

Dr Rachel Jones

Dr Rebecca Thom (appointed April 2021)

Dr Matthew Roycroft (demitted April 2021)

Representative of the Staff and Associate Specialists Steering Group

Dr Waleed Arshad

Representatives of the specialist societies

Professor Jonathan Bennett (demitted November 2021)

Dr Tanya Bleiker

Dr Tim Cooksley (appointed October 2021)

Dr Susan Crossland (demitted October 2021)

Professor David Burn (demitted May 2021)

Dr Jennifer Burns

Professor John Greenwood (appointed June 2021)

Dr Robert Gregory

Dr Iain Lawrie (demitted March 2021)

Dr Alastair McKinlay

Dr Sanjeev Patel

Dr Amy Proffitt (appointed May 2021)

Professor Simon Ray (demitted June 2021)

Professor Paul Walker (appointed November 2021)

Professor Thomas Warner (appointed May 2021)

Trustee councillors (in attendance)

Dr John Dean

Professor Namita Kumar

Dr Iain Lawrie

Dr Joanna Szram (appointed April 2021)

Finance boards and committees

Finance and Resources Board

Professor Simon Bowman, treasurer (from April 2022)

Professor Charles Baden-Fuller

Dr Kaushik Chaudhuri

Steve Clarke

Professor David Croisdale-Appleby OBE

Dr Cathryn Edwards OBE, registrar (from May 2021)

Professor Donal O'Donoghue OBE, registrar (until January 2021)

Professor Rob George

Sir Andrew Goddard, president

Dr Wajid Hussain

Professor Chuka Nwokolo CBE, treasurer (until March 2022)

Roger Speddy

Dr Mark Temple

Audit and Risk Committee

Dr Angshu Bhowmik

Andrew Chandler

Tim Golbourn

Graham Meek

Ray Sadler

Roger Speddy

Investment Advisory Panel

Peter Allen

Martin Been

Professor Simon Bowman

Consuelo Brooke

James Hordern

Adam Matthews

Professor Chuka Nwokolo CBE, treasurer (until April 2022)

Professor Ganesh Subramanian

Remuneration Committee

Professor Simon Bowman

Andrew Chandler

Graham Meek

Professor Chuka Nwokolo CBE (until April 2022)

Nigel Turner

Professor Anthony B Ward

Leadership team

The leadership team is responsible for the delivery of strategic and operational objectives.

Chief executive

Dr Ian Bullock

Executive director, Membership Support and Global Engagement

Matthew Foster

Executive director, Care Quality Improvement

Sue Latchem

Executive director, Education

Professor Della Freeth

Executive director, Corporate Services

Justin Smith (to January 2022)

Executive director, Communications, Policy and Research

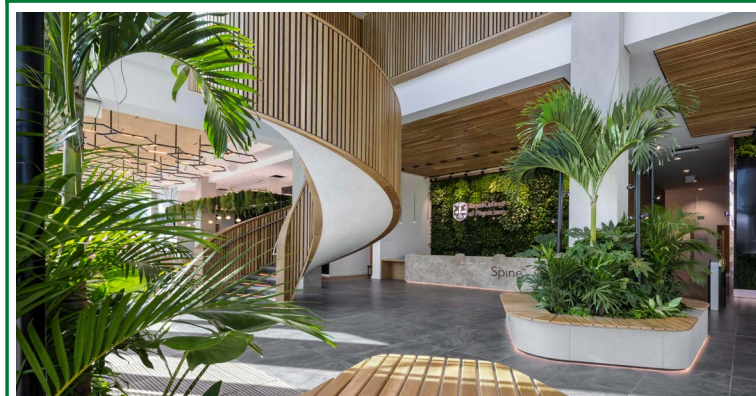
Claire Burroughs

Commissioning director for RCP at The Spine

Clive Constable (to November 2021)

Chief operating officer – Federation

Yasmin Becker



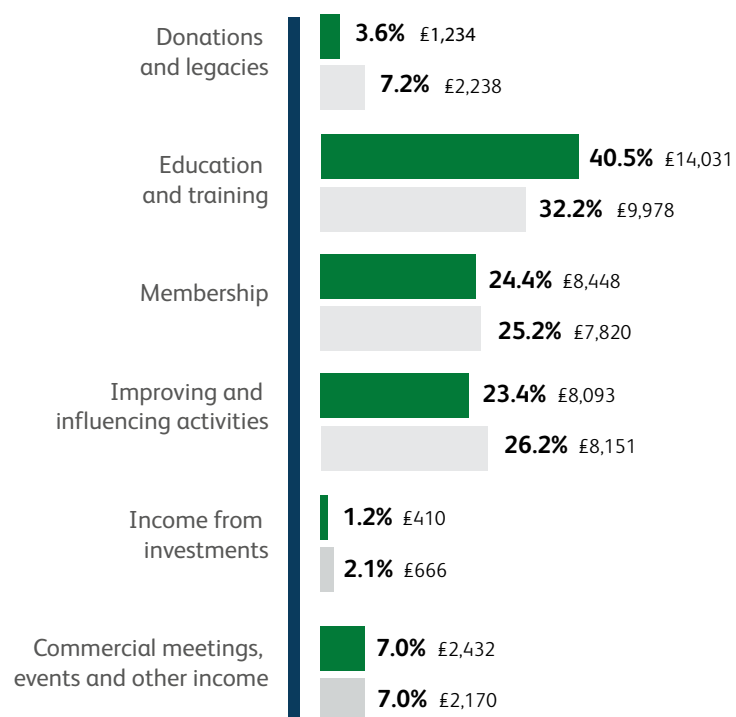
Summary of our income and expenditure

Income

Total in 2021: £34.6 million

Total in 2020: £31.0 million

Breakdown of income in £000s

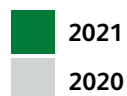
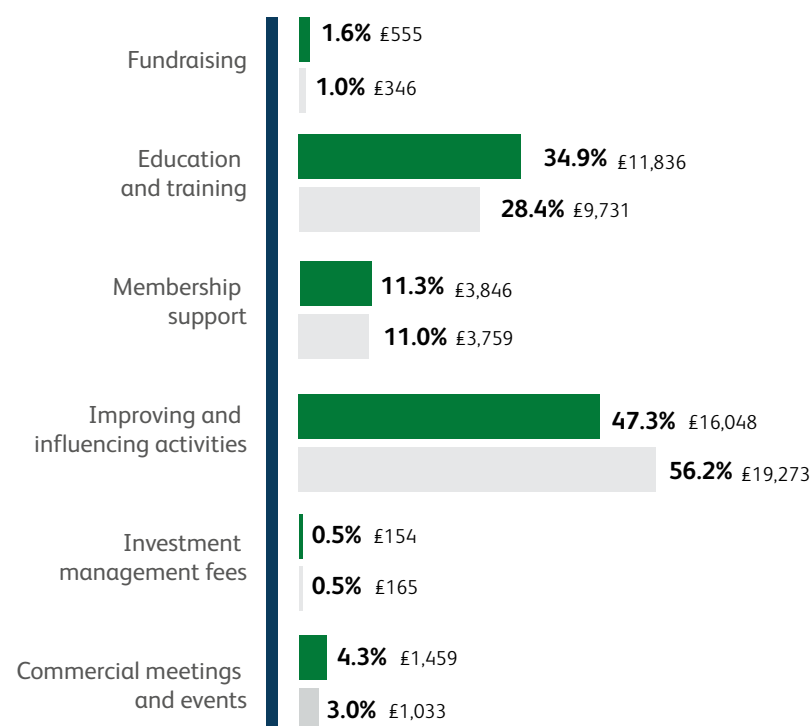


Expenditure

Total in 2021: £33.9 million

Total in 2020: £34.3 million

Breakdown of expenditure in £000s



Notes

Education and training includes examinations, workshops and courses

Improving and influencing activities include conferences, audit and accreditation, heritage and library services, communications, policy and research

Our financial policies

This section should be read in conjunction with the financial statements on pages 52 to 79. An overview of the financial results is given in the financial review report on page 47.

Fundraising

The RCP is grateful for the exceptional level of support that we have received during the course of 2021 from generous donors, including members and fellows, charitable trusts and foundations, and corporate partners.

Philanthropic support and corporate sponsorship are fundamental to the work of the RCP and help us to fulfil our charitable vision of ensuring the best possible health and healthcare for everyone. The funds that we raise go directly to supporting research; education and training; clinical improvement; patient safety; and the maintenance and development of our buildings and historic collections. This report allows us to show how our charitable funds are distributed and spent. It demonstrates the benefits and impact of fundraising on supporting physicians and on improving standards of patient care.

Principal fundraising activities and performance

During 2021, we secured a total of £1.2 million in new donations with a further £0.4m pledged to fund key areas of our work (including gifts to restricted and unrestricted funds). Projects that were supported during the year included:

- > **RCP at The Spine** – a state-of-the-art facility in Liverpool for the education and examination of physicians that opened in May 2021 and is now pioneering advances in medical education
- > **Physicians for Africa** – a partnership with the East, Central and Southern Africa College of Physicians to provide financial and in-kind support for a region desperately short of well-trained doctors
- > **Population health initiatives** – aimed at reducing inequalities in health and wellbeing and including the RCP's first clinical fellow in health inequalities

- > **RCP Player** – a medical streaming service developed in response to the pandemic which offers CPD-accredited learning resources and events, both live and on demand
- > **The Physicians' Fund** – the award of grants to trainees and new consultants pursuing innovation in medicine and helping to create a research-active health service
- > **Heritage** – maintaining our Grade I listed buildings in London, including caring for our historic collections and providing welcoming spaces for meeting and collaboration.

We erected a new donor wall in RCP at The Spine, which has been named in memory of our late registrar Professor Donal O'Donoghue. The wall is projected to raise £300k in support of our charitable mission and those who donate £800 or more are recognised on one of 300 unique voronoi polygons.

We launched a new legacy society named in honour of Ina Cooke, who worked for the RCP for over 35 years and was one of our most generous legators. During the year we secured a total of £3 million in new legacy pledges.

Fundraising programme

The RCP's fundraising programme is carried out by a small team including specialists in trust/foundation, corporate, and major donor fundraising. The director of development reports to the CEO and works closely with the Board of Trustees.

Fundraising controls and regulation

We recognise that our fundraising success is dependent on maintaining the trust of our donors and the public. We have a number of controls in place to ensure that our fundraising remains ethical, transparent, respects vulnerable people and is compliant with current regulation. Our campaigns are run by an in-house team and we do not engage the services of commercial partners to raise funds on our behalf.

Our Board of Trustees plays an active role in our fundraising activities, reviews fundraising plans, and ensures that fundraising activity operates in line with regulatory requirements and relevant best practice.

We have an ethical fundraising policy and carry out due diligence to ensure that we do not receive any donations that conflict with our values. All of our fundraisers receive compulsory training in this area and are members of the Chartered Institute of Fundraising, the professional membership body for UK fundraising.

The RCP is registered with the Fundraising Regulator (ref 128235) and has adopted the Code of Fundraising Practice. No complaints were received in relation to our fundraising activities during 2021 (2020: nil).

Investments

Powers and governance

The RCP's bye-laws give the trustees powers to appoint fund managers to manage its investments.

The Investment Advisory Panel (IAP) is responsible for monitoring the performance of the investment portfolios and of the fund managers. The IAP meets with the fund managers quarterly to review their reports and progress. The IAP is chaired by the treasurer, and its membership includes fellows, independent external advisers, the executive director of Corporate Services and the director of Finance. The panel reports to the Finance and Resources Board.

Management

The majority of investments are managed by Cazenove Capital (part of Schroders plc) who have discretionary powers of investment within agreed restrictions as agreed in the Statement of Investment Principles.

The managers' mandate is to invest, on a total returns basis, in a globally diversified portfolio of cash, equity, fixed income, convertible bonds, hedge fund securities, property funds and commodities' funds. A relatively small investment remains with the former (pre-2011) investment managers Morgan Stanley, in the form of hedge funds that are slowly being run down, liquidated and transferred to Cazenove. One other trust fund (The Cotton Trust) remains invested (as per its terms) with RBC / Royal Trust Corporation of Canada.

During 2021, the management of the investment portfolio has been reviewed by the finance and resources board, and the trustees, and our approach has been clarified with the investment managers.

The RCP's objective is to invest its investment assets to manage returns, with a low to moderate level of risk, with targeted returns of CPI + 3% through a diversified asset portfolio. Within this framework a number of objectives have been agreed to help guide the Finance and Resources Board in their strategic management of the RCP's investments.

Ethical and Climate Change Investment Policy

The RCP has operated an Ethical Investment Policy in line with guidance issued by the Church of England Investment Fund. We continue to hold minimal tolerances on the proportion of indirect funds held linked to production or supply of tobacco, armaments, pornography, gambling and sale or production of alcohol.

Climate change will significantly impact public health both in the UK and around the world. All that can be done should be done to limit global temperature rises in line with the goals of the Paris Agreement on climate change. If we are to avoid the extreme impacts of climate change on both people and the environment this means a world where we limit temperature rises to 1.5 degrees above pre-industrial levels.

As a medical college the Royal College of Physicians (RCP) has a particular role to play in highlighting the health impact of climate change.

By December 2021 our fund managers reported that indirect investment in fossil fuels had reduced to zero.

Total returns policy

The RCP received a total return order from the Charity Commission, dated 6 February 2012, which enables the trustees to decide which part of the unapplied total return from the investment of the charity's permanent endowments should be held on trust for application for the purposes of the charity.

The policy applied in determining the initial amounts of the trusts for investments and any unapplied total return was identifying an appropriate and suitable date at which the investments (which were all invested with and managed by external fund managers) were at their lowest. This date was determined (through reference to the general stock market conditions over the period) as 30 September 1988.

The value of the investments at this date was 'frozen' and classified as frozen permanent capital and the remainder of the investments was classified as unapplied total return.

The amount of the unapplied total return allocated to income was the actual costs of grants, fellowships and other costs such as medals, prizes and honoraria that were awarded in the financial year, as stipulated by and within the remit of the various funds.

Policy on reserves

To deliver its business plan, the RCP has agreed a budgeting and reserves policy that enables it to make appropriate strategic allocations of funds, while also securing a sound financial base for future requirements. Services are provided with a clear understanding of whether they should be subsidised, cost neutral or delivered at a surplus. Through this policy, the RCP seeks to develop new sources of income to mitigate the risk of over-reliance on major income streams. Investment decisions on the resources necessary, both to deliver new activities and to sustain continuing commitments, are based on the RCP's overall strategic needs.

The trustees make allocations between the main activities, based on the current environment and the changing requirements of the RCP's key activities. The Finance and Resources Board recommends an overall financial framework for the preparation of annual budgets to the trustees, taking into account the need to maintain an appropriate level of reserves.

Reserves provide an important base from which the RCP can deliver against its charitable objectives, recognising that some areas of income and expenditure can be variable and uncertain. The budgets and future plans are put in place to overcome any uncertainty over income or unexpected calls on the charity's funds.

At 31 December 2021 total reserves of RCP were £52.7 million. The RCP holds a number of permanently endowed and restricted funds which result from bequests or donations for particular purposes, details of which are set out in notes 22 and 23 to the financial statements. At 31 December 2021 total restricted funds were £3.5 million and endowment funds were £12.9 million.

The RCP also holds reserves in the form of designated funds that are earmarked for particular purposes by the trustees. At 31 December 2021 the balance on the designated funds was £19.9 million. The main designated fund is the intangible and fixed assets fund, represented by tangible and intangible fixed assets less associated loan finance outstanding in respect of The Spine fit-out. The fund is not readily converted into cash.

The general reserves of the RCP, excluding designated funds, are represented by a mixture of external investments and net assets that include cash reserves. The minimum target free reserves level is in the range of 3–6 months of unrestricted expenditure and is set based on: the risk to income and expenditure fluctuations, unexpected needs for funds, and the need to provide working capital for the operation.

The general reserves of the RCP as at 31 December 2021 were £16.7 million, consistent with the prior year. At 31 December 2021 the defined benefit pension scheme deficit was (£0.4 million) (2020: (£4.2 million)). Free reserves net of pension scheme deficit represent 7 months of the unrestricted operational expenditure, which is beyond the target free reserves level of between 3 and 6 months (£7.2m–£14.4m). While the financial impact of COVID-19 and inflationary conditions continue to put pressure on the level of free reserves going forward, the target level is still appropriate.

Trading subsidiary

The principal activity of the company is to organise, provide facilities for and hold conferences, seminars, and courses of instruction, demonstrations, lectures, exhibitions, private dinners and functions. The accumulated net deficit for the RCP's wholly-owned trading subsidiary, The RCP Regent's Park Limited, for the year ended 31 December 2021 was £117k. The company is looking to recover its trading position through the provision of more virtual and hybrid events, as well as harnessing opportunities from new facilities at

The Spine building. The trading results and balance sheet of the subsidiary extracted from its audited accounts are set out in note 25 to the financial statements.

Going concern

The financial statements are prepared on a going concern basis. The Board of Trustees has considered the adoption of a going concern basis in the preparation of these financial statements. A projection of the RCP's financial position to December 2023 has been undertaken, including:

- > a review of budgets and forecasts;
- > consideration of the key risks and uncertainties in the context of the RCP's operations; and
- > the mitigating actions the RCP can deploy for liquidity, together with the impact on reserves.

The COVID-19 pandemic had a significant impact on RCP operations in 2020 and this continued into 2021. The pandemic restrictions introduced in March 2020 resulted in two of the four main income streams for the RCP being impacted: examinations, and conference and event activity. These restrictions have eased in quarter 1 of 2022 and income levels are forecast to recover to over 90% of pre-pandemic levels. The most significant financial impact was in relation to the cancellation of face-to-face events and conferences, impacting RCP activity directly as well in the wholly owned trading subsidiary Regent's Park Ltd.

For the period to December 2023 the Board of Trustees has considered the strength of operational recovery, set against inflationary pressures, risks and assumptions, together with actions including income generation and cost saving measures. Working capital requirements are met through income received from business activities and the RCP has the ability to drawdown against funds held within the investment portfolio if required. At December 2021 the RCP had adequate levels of cash and reserves and that is expected to remain the case through 2022 and into 2023.

Having regard to the above, the Board of Trustees believes it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

External auditor

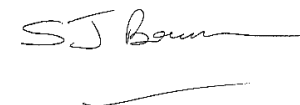
Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board

The annual report has been approved by the Board of Trustees on 21 June 2022 and signed on its behalf by:



Professor David Croisdale-Appleby
Chair of Board of Trustees



Professor Simon Bowman
Treasurer

Financial review

During 2021 we developed our new strategy for the period 2022–24 centred around the three priority areas of educating, improving and influencing. These have always been at the heart of RCP activity and the new strategy, through engagement with our members and stakeholders, provided us with an opportunity to be clearer about these in our priorities, plans and activities. While the financial statements, as presented on pages 52 to 78, continue to report under the activities for the year ending December 2021 aligned to the previous 2015–20 strategy, all of these activities support and align to the new strategic priorities. The year 2021 marked a transition from the previous strategy to the new one, enabling us to take account of the impact of the pandemic and the opening of The Spine. The annual report for 2022 will for the first time report our activities in the financial statements under the headings of educating, improving and influencing and as part of that we will restate the 2021 figures to provide the prior year comparison.

In 2021 the RCP continued to face challenges driven by the restrictions arising from the COVID-19 pandemic. Some of the measures we put in place during 2020 have continued into 2021. As a result of these measures we have seen some recovery in our income position alongside cost reduction and control across all activities. In 2021 unrestricted income increased by 22%, with expenditure increasing slightly by 1%, resulting in a total operating surplus of £750k (2020: deficit of £3,284k).

The RCP's risk-based investment mix and a subsequent rallying of markets in 2021 resulted in an overall gain on investments of £3,962k. This, coupled with a substantial actuarial gain on the (closed) defined benefit pension fund of £2,937k (2020: deficit of £602k), resulted in an overall net gain funds movement of £7,649k (2020: deficit of £2,426k).

Income and expenditure

The RCP's consolidated total income in 2021 was £34.6 million (2020: £31.0 million), representing a partial recovery from the impact of COVID-19, although income was still down on pre-pandemic levels due to lockdowns in 2021 affecting RCP activities. The RCP benefited from the government's Coronavirus Job Retention Scheme, with just over £768k claimed during

the period, representing 2% of total income. The scheme ceased in September 2021.

	-----2021 (£000)-----				2020 (£000)
	Unrestricted	Restricted	Endowment	Total	Total
Total income	28,985	5,506	157	34,648	31,023
Total expenditure	28,704	5,100	94	33,898	34,307
Net operating result	281	406	63	750	(3,284)
Net (losses)/gains on investment assets	2,405	66	1,491	3,962	1,460
Other net gains/(losses)	2,937	0	0	2,937	(602)
Transfers	736	(705)	(31)	0	0
Net movement in funds for the year	6,359	(233)	1,523	7,649	(2,426)

While unrestricted income increased in 2021, restricted income recorded a 29% reduction due in large part to the timing of entitlement to donations received specifically for RCP at The Spine now due to be received in 2022.

While activity increased across the RCP, expenditure decreased by 1% to £33.9 million. This was partly due to continued cost control coupled with an approach to funding the lease obligations for the London estate from reserves. The executive team worked hard to mitigate the financial position, including deferring investments in the London estate and IT systems development, and cutting non-essential costs while preserving our core capabilities, key NHS services and support for members tackling the pandemic.

Construction and fit-out of The Spine was completed in May 2021. As part of Liverpool's Knowledge Quarter, The Spine will be a centre of excellence and innovation to engage members, fellows and partner organisations in the north and enhance RCP activities. It is applying for certification to the Platinum WELL Standard, which will make it one of the healthiest buildings in

the UK. The Spine was phased into operation during 2021, including use of our purpose-built assessment facilities with physician associate exams held from May 2021.

Investments

As at 31 December 2021 our investments, including cash deposits, stood at £36.5 million. World markets rallied in 2021, with conditions remaining supportive for risk assets despite periods of volatility.

The objectives of our investment strategy are to achieve long-term growth at 3% ahead of CPI inflation, at an acceptable level of risk, applying a total return strategy. Our investments are now mainly held by fund managers Cazenove, with small holdings still with Morgan Stanley and Canada Trust Corp. The investment skills of Cazenove, together with our knowledgeable Investment Advisory Panel enable us, on average, to achieve target performance with downside protection. We are continuing to evolve our ethical investment stance, which is aligned to the RCP's charitable objectives to improve health and prevent health harms. The process of removing any residual fossil fuel assets in the RCP's portfolio is complete.

Pensions

As at the end of 2021, the deficit of the defined benefit pension scheme, which has been closed to new members since 2002 and to further accrual from 2008, decreased significantly from a deficit of £4.239 million to a deficit of £0.386 million on an FRS 102 basis. This significant reduction in liability has been caused by a combination of market movements, which has led to a lower value being placed on the liabilities, as well as experience items such as lower actual inflation and membership movements, which have resulted from updating the underlying data to that used for the actuarial valuation at 1 January 2021. Assets have also performed better over the period contributing further to the reduction.

The triennial actuarial valuation of the defined benefit pension scheme, dated 1 January 2021, was concluded at the end of March 2022. This showed an increase in the deficit, driven by a combination of assumption changes as well as recognition of changes to the benefit structure that value the liabilities at a greater level.

The RCP continues to run a Group Personal Pension Plan (GPPP) scheme for new staff joiners and maintains the RCP single employer trust-based defined contribution pension scheme which was closed to new entrants from the start of 2018 but continues to run for existing staff members.

Balance sheet and reserves

At the end of the year the RCP held net assets of £52.7 million of which £36.5 million is the market value of our investment portfolio and £12.5 million is in cash. Endowment and restricted funds comprise £16.4 million, therefore unrestricted funds comprise £36.3 million, of which free reserves (net of the designated funds but gross of the long-term defined benefit pension deficit) have remained consistent with 2020 at £16.7 million. Heritage assets (rare books, manuscripts, paintings, silverware), originally gifts to the college over the past 5 centuries, are not valued at all in the financial balance sheet, but have an insurance value of ~£41 million.

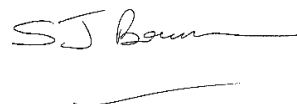
Future financial plans

The trustees and I remain vigilant in seeking to protect the RCP and support its members and to use the resources available to fulfil the RCP's objectives and promote its work as efficiently as possible. Our reserves policy is to maintain the level of general reserves at between 3 and 6 months of unrestricted operational expenditure.

While the RCP's balance sheet position remains strong, the COVID-19 pandemic and subsequent inflationary pressures continue to have an adverse impact on core activities in 2022. The focus will be on keeping expenditure down while continuing to carry out key activities.

With thanks

I took over from Professor Chuka Nwokolo as RCP treasurer in April 2022, having previously been deputy treasurer. I would like to thank Chuka for his dedicated work over many years and for his steady hand guiding the RCP's finances during some incredibly turbulent times.



Professor Simon Bowman, treasurer

Independent auditor's report to the trustees of the RCP

Opinion

We have audited the financial statements of the Royal College of Physicians for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the parent and consolidated balance sheets, the consolidated cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent charity's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial statements section' below. 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 trustee'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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with compliance with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate

or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were General Data Protection Regulation (GDPR), employment legislations and taxation legislations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, review of internal audit reports conducted in the period and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been

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



Crowe U.K. LLP
Statutory auditor
London

12 July 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Financial statements

Consolidated statement of financial activities for the year ended 31 December 2021

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds	
		£000	£000	£000	31 Dec 21	31 Dec 20
		£000	£000	£000	£000	£000
Income from:						
Fundraising	2	481	753	-	1,234	2,238
Charitable activities						
Care Quality Improvement	3	2,863	4,233	-	7,096	7,377
Education and Federation	4	13,609	417	-	14,026	9,978
Membership Support and Global Engagement	5	8,448	-	-	8,448	7,820
Communications, Policy and Research	6	34	88	-	122	130
Heritage and investing in our future	7	81	-	-	81	71
Meetings and events (medical)		791	-	-	791	573
Activities to generate funds						
Investment income	8	253	8	157	418	666
Meetings and events (non-medical) – trading	25	1,448	-	-	1,448	928
COVID-19 Job Retention Scheme		761	7	-	768	1,094
Other income		216	-	-	216	148
Total income		28,985	5,506	157	34,648	31,023
Expenditure on:						
Raising funds						
Fundraising costs		411	94	-	505	346
Investment management fees		95	2	57	154	165
Meetings and events (non-medical)	25	1,459	-	-	1,459	1,033
		1,965	96	57	2,118	1,544
Charitable activities						
Care Quality Improvement	9	4,124	4,486	-	8,610	8,867
Education and Federation	10	11,456	380	-	11,836	9,731
Membership Support and Global Engagement	11	3,806	40	-	3,846	3,759

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds	
					31 Dec 21	31 Dec 20
Communications, Policy and Research	12	2,820	96	-	2,916	3,286
Heritage and investing in our future	13	1,053	-	-	1,053	2,701
Meetings and events (medical)		3,480	-	-	3,480	4,350
Trusts and fellowships		-	2	37	39	69
Total expenditure	14/15	28,704	5,100	94	33,898	34,307
Net operating (loss)/gain		281	406	63	750	(3,284)
Net gains on investment assets	17	2,405	66	1,491	3,962	1,460
Net income/(expenditure)		2,686	472	1,554	4,712	(1,824)
Transfers between funds	21/22	736	(705)	(31)	-	-
Actuarial gains/(losses) on defined benefit pension scheme	26	2,937	-	-	2,937	(602)
Net movement in funds for the year		6,359	(233)	1,523	7,649	(2,426)
Funds brought forward at 1 Jan 2021	21/22/23	29,916	3,710	11,420	45,046	47,472
Funds carried forward at 31 December 2021		36,275	3,477	12,943	52,695	45,046

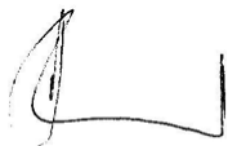
Consolidated and RCP balance sheets as at 31 December 2021

		2021		2020	
	Notes	Group	RCP	Group	RCP
		£000	£000	£000	£000
Fixed assets					
	Intangible assets	16a	1,170	1,417	1,417
	Tangible fixed assets	16b	26,004	23,324	23,324
	Investments	17	36,470	32,932	32,932
			63,644	57,673	57,673
Current assets					
	Stocks		108	114	114
	Debtors	18	3,815	6,102	6,287
	Investment accounts		7	309	303
	Cash		12,534	10,981	10,845
			16,464	17,506	17,549
Creditors					
Amounts falling due within 1 year					
	Creditors and accrued expenses	19	(16,299)	(17,808)	(17,745)
	Examination and other income received in advance	19	(7,416)	(7,226)	(7,226)
	Provisions	19b	(43)	(127)	(127)
			(23,758)	(17,661)	(17,598)
Amounts falling due after 1 year		19	(3,269)	(733)	(733)
Net liabilities			(10,563)	(8,388)	(8,282)
Net assets excluding pension liability			53,081	49,285	49,391
Defined benefit pension scheme liability		26	(386)	(4,239)	(4,239)
Net assets including pension liability		24	52,695	45,046	45,152
Represented by					
Unrestricted funds:					
Designated funds					
		21			
	Fixed and Intangible Assets Fund		19,673	17,241	17,241
	Legacies Development Fund		147	147	147

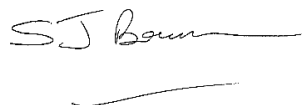
	Notes	2021		2020	
		Group	RCP	Group	RCP
Care Quality Improvement		105	105	105	105
		19,925	19,925	17,493	17,493
General charitable fund		16,736	16,853	16,662	16,768
Less: Pension scheme liabilities	26	(386)	(386)	(4,239)	(4,239)
		16,350	16,467	12,423	12,529
Total unrestricted		36,275	36,392	29,916	30,022
Restricted	22	3,477	3,477	3,710	3,710
Endowment	23	12,943	12,943	11,420	11,420
		52,695	52,812	45,046	45,152

The results of the parent charity for the year ended 31 December 2021 was a £7,649k surplus (2020: deficit £2,426k).

Approved for and on behalf of the RCP (Charity Registration No. 210508) on 21 June 2022 and authorised for issue.



President: Sir Andrew Goddard



Treasurer: Professor Simon Bowman

Consolidated statement of cash flow for the year ended 31 December 2021

		2021 £000	2020 £000
Cash flow from operating activities			
Net cash provided by / (used in) operating activities	A	5,437	(3,327)
Dividends, interest and rents from investments		410	666
Purchase of property, plant and equipment		(4,589)	(11,669)
Purchase of intangible assets		(254)	(296)
Proceeds from sale of investments		567	19,775
Purchase of investments		(141)	(3,053)
Net cash provided by (used in) investing activities		(4,007)	5,423
Proceeds from borrowings*		-	7,500
Borrowings interest and principal repayments*		(63)	(58)
Finance lease payments		(116)	(22)
Net cash provided by (used in) financing activities		(179)	7,420
Change in cash and cash equivalents in the reporting period		1,251	9,516
Cash and cash equivalents at the beginning of the reporting period	B	11,290	1,774
Cash and cash equivalents at the end of the reporting period	B	12,541	11,290

Notes to consolidated statement of cash flow for the year ended 31 December 2021

	2021 £000	2020 £000
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net movement in funds for the reporting period (as per the statement of financial activities)	4,712	(1,823)
Adjustments for:		
Depreciation charges	1,909	1,472
Amortisation charges	501	897
Loss/(gains) on investments	(3,963)	(1,460)
Increase/(decrease) in provisions	(84)	127
Dividends, interest and rents from investments	(410)	(666)
(Gain) on valuation of defined benefit pension scheme	(916)	(606)
(Increase)/decrease in stocks	6	64

	2021 £000	2020 £000
(Increase)/decrease in debtors	2,288	(1,855)
Increase/(decrease) in creditors	1,394	523
Net cash provided by/(used in) operating activities	5,437	(3,327)

B. Analysis of cash and cash equivalents		
Cash in hand	12,534	10,981
Notice deposits and investment accounts (less than 30 days)	7	309
Total cash and cash equivalents	12,541	11,290

Analysis of changes in net debt						
	At 1 Jan 2021	Cash flow	New finance leases	Acquired debt	Interest and non-utilisation charges	At 31 Dec 2021
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents						
Cash in hand	10,981	1,553	-	-	-	12,534
Notice deposits and investment accounts (less than 30 days)	309	(302)	-	-	-	7
Total cash and cash equivalents	11,290	1,251	-	-	-	12,541
Borrowings						
Revolving credit facility*	(7,500)	63	-	-	(63)	(7,500)
Finance lease obligations	(351)	116	(500)	-	(13)	(748)
Total borrowings	(7,851)	179	(500)	-	(76)	(8,248)
Total net debt	3,439	1,430	(500)	-	(76)	4,293

*During 2020 the organisation utilised £7.5m of a £10m revolving credit facility with Santander to fund the RCP at The Spine development.

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

Charity information

The Royal College of Physicians (RCP) was established by royal charter in 1518. It is a registered with the Charity Commission for England and Wales and is a Royal Charter company registered with Company House. The charity registration number is 210508 and the company registration number is RC000899. RCP is a Public Benefit Entity and its registered office is 11 St Andrews Place, London NW1 4LE.

Basis of preparation

The consolidated financial statements comprise the financial statements of RCP, and its subsidiary undertaking, The RCP Regent's Park Limited, on a line-by-line basis and adjusted for the elimination of inter-group transactions and balances.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities SORP (FRS 102) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The RCP constitutes a public benefit entity as defined by FRS 102.

The financial statements are drawn up on the historical accounting basis, except that investments held as fixed assets are carried at market value.

Going concern

The financial statements are prepared on a going concern basis. The Board of Trustees has considered the adoption of a going concern basis in the

preparation of these financial statements. A projection of the RCP's financial position to December 2023 has been undertaken, including:

- > a review of budgets and forecasts;
- > consideration of the key risks and uncertainties in the context of the RCP's operations; and
- > the mitigating actions the RCP can deploy for liquidity, together with the impact on reserves.

The COVID-19 pandemic had a significant impact on the RCP's operations in 2020 and this continued into 2021. The pandemic restrictions introduced in March 2020 resulted in two of the four main income streams for the RCP being impacted: examinations, and conference and event activity. These restrictions have eased in quarter 1 of 2022 and income levels are forecast to recover to over 90% of pre-pandemic levels. The most significant financial impact was in relation to the cancellation of face-to-face events and conferences, impacting RCP activity directly as well the wholly owned trading subsidiary Regent's Park Ltd.

For the period to December 2023 the Board of Trustees has considered the strength of operational recovery, set against inflationary pressures, risks and assumptions, together with actions including income generation and cost saving measures. Working capital requirements are met through income received from business activities and the RCP has the ability to drawdown against funds held within the investment portfolio if required. At December 2021 the RCP had adequate levels of cash and reserves and that is expected to remain the case through 2022 and into 2023.

Having regard to the above the Board of Trustees believes it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Income

Subscriptions income, admission fees, grants and donations are accounted for once there is entitlement, probability of receipt and can be reliably measured. Legacies are accounted for where there is entitlement, probability

Notes to the financial statements continued

of receipt and amounts can be measured. For residuary legacies, entitlement is deemed to be the earlier of settled estate accounts or notification of a pending payment or actual payment being received. For pecuniary legacies these are recognised on confirmation that probate has been obtained. Investment income is recognised when due except for dividends which are accounted for on receipt. Income is deferred only when conditions have to be fulfilled before the RCP becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of examination admissions any receipt in respect of future years is shown as deferred income. Membership fee is seen as an annual subscription and therefore income is not deferred. Government grants are recognised as income when any specific conditions are met.

Expenditure

All expenditure is accounted for under the accruals concept and stated gross of irrecoverable VAT. All costs are allocated to the charitable cost centres on an actual basis, with the exception of administration costs which are allocated on the following basis:

- > central management and human resources: number of staff in the cost centres
- > finance: proportion of transactions processed
- > buildings and office services: square footage of office space occupied
- > IT services: number of users of the RCP network.

Salaries are allocated according to the nature of work performed by each member of staff.

Governance costs comprise the costs incurred, which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Rentals for leased assets held under the terms of operating leases are charged directly to the statement of financial activities (SOFA) over the term of the lease.

Tangible and intangible fixed assets

No 11 St Andrews Place, a leasehold property held under a 99-year lease expiring in 2060 and Nos 1–10 St Andrews Place, leasehold properties held under a lease that expires in 2084, are being depreciated over the life of the lease from the commencement of the respective leases. The cost of additions to existing structures has been depreciated, concurrently, over the remaining life of the leases. Equipment, intangible assets, furniture and fixtures are capitalised when the cost of the project exceeds £15,000 and has a useful life spread over a number of financial years. These capital costs are depreciated and intangible assets amortised by equal instalments over their anticipated useful lives, at rates between 5% and 25%. No depreciation or amortisation is charged on assets in the course of construction. At each reporting date the RCP assesses if there is any indication of impairment of its estate and other fixed assets.

Collections

In addition to the capitalised fixed assets held for the RCP's own use, the RCP also has a number of assets of historical interest. These comprise learned publications and a unique collection of busts and portraits, together with other objects, whose intrinsic value is also bound up with the RCP's history. The trustees consider that the significant administrative expenses incurred in deriving a reliable cost for the capitalisation of these items would exceed the usefulness of such information to the user of the financial statements. On this basis these assets are not capitalised in the accounts.

Finance leases

Finance leases are recognised where the risks and rewards of ownership of the leased asset are held by the lessee (The RCP). These are recognised as a right-to-use fixed assets with a corresponding lease liability comprised of the present value of the minimum lease payments, derived by discounting them at the interest rate implicit in the lease. Right-to-use assets are depreciated over the lease period or asset life, where the asset is retained at the end of lease and has an asset life longer than the lease term.

Notes to the financial statements continued

Investments

Investments are stated in the balance sheet at the mid-market value at the balance sheet date. Realised gains or losses are calculated by reference to disposal proceeds and either opening market value or cost if acquired during the year.

Stock

Stock is valued at the lower of cost and net realisable value.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, cash held for reinvestment and short-term deposits.

Pensions

The RCP has three pension schemes, one providing defined benefits based on final salary, the other two providing benefits based on defined contributions invested with Standard Life. The pension costs for the defined contribution scheme are charged to the statement of financial activities as they become payable in accordance with FRS 102. The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of an independent qualified actuary.

The defined benefit pension scheme current service costs and the net of the scheme interest cost and the expected return on the scheme assets for the year are charged to the statement of financial activities within superannuation costs. Actuarial gains and losses are recognised within other recognised gains and losses.

The defined benefit pension scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Taxation

The RCP is eligible for the tax exemptions available for charitable activities.

Unrestricted funds

These funds are received and applied to achieve the general objectives of the RCP.

Designated funds

Designated funds are unrestricted funds set aside by the trustees for specific future purposes or projects. The movements on these funds are analysed in note 21.

Restricted funds

Restricted funds are subject to specific conditions laid down by the donors as to how they may be used. Note 22 gives details of these funds.

Endowment funds

Endowment funds relate to bequests and gifts to the RCP, the terms of which stipulate that the capital may not be spent, and the income is to be utilised to meet the costs of awards, lectures and other RCP expenditure. Movements in these funds are shown in note 23.

Total return accounting

The trustees of the RCP applied to the Charity Commission in January 2012 for authorisation to enable the permanent endowments within the RCP trust funds to be invested on a total return basis as this would facilitate a better return on investments, without prejudicing the investment management policy.

Upon receiving the requisite order from the Charity Commission on 6 February 2012 the RCP trust fund committee approved the base date for the commencement of the total return investment policy to be 30 September 1988. The permanent endowments in note 23 of the financial statements have been recalculated as at the above date.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 26.

Financial instruments

Financial assets and financial liabilities are recognised when the RCP becomes a party to the contractual provisions of the instrument. Additionally

all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, short-term investments together with accrued interest and other debtors. Financial liabilities held at amortised costs comprise other creditors and accruals.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Incoming resources

	Unrestricted	Restricted/ endowment	2021	2020
	£000	£000	£000	£000
2 Fundraising				
Donations	426	156	582	419
Legacies	55	-	55	670
Library and museum	-	-	-	3
RCP North	-	580	580	1,051
RCP CQID	-	-	-	15
Physicians' fund	-	17	17	80
	481	753	1,234	2,238
3 Care Quality Improvement				
National Guideline Centre	50	2,544	2,594	2,832
Core and Audit and Accreditation	2,472	1,689	4,161	4,305
Invited Service Reviews	341	-	341	240
	2,863	4,233	7,096	7,377
4 Education and Federation				
Education and conferences	2,786	417	3,203	1,818
Continuing professional development	183	-	183	15
MRCP(UK) examinations	8,917	-	8,917	6,413
Physicians Training Board	1,723	-	1,723	1,732
	13,609	417	14,026	9,978
5 Membership Support and Global Engagement				
Membership	8,167	-	8,167	7,609
UK regional offices	183	-	183	124
International	88	-	88	81
Medical Workforce Unit	10	-	10	6
	8,448	-	8,448	7,820
6 Communications, Policy and Research				
Publications	32	-	32	30
External communications	2	88	90	100
	34	88	122	130
7 Heritage and investing in our future				
Library and museum services	81	-	81	71

Notes to the financial statements continued

	Unrestricted	Restricted/ endowment	2021	2020
	81	-	81	71
8 Investment income				
Dividends	37	43	80	263
Interest on investments	216	122	338	403
	253	165	418	666

Resources expended

	Unrestricted	Restricted/endowment	2021	2020
	£000	£000	£000	£000
9 Care Quality Improvement				
National Guideline Centre	307	2,579	2,886	2,932
Core and Audit and Accreditation	3,379	1,907	5,286	5,518
Invited Service Reviews	438	-	438	417
	4,124	4,486	8,610	8,867
10 Education and Federation				
Education and conferences	6,288	380	6,668	4,693
Continuing professional development	109	-	109	118
MRCP(UK) examinations	4,178	-	4,178	4,084
Physicians Training Board	881	-	881	836
	11,456	380	11,836	9,731
11 Membership Support and Global Engagement				
Membership	1,920	-	1,920	1,803
UK regional offices	1,087	-	1,087	1,000
International	453	40	493	653
Medical Workforce Unit	346	-	346	303
	3,806	40	3,846	3,759
12 Communications, Policy and Research				
Professional affairs	389	-	389	468
Committees	622	-	622	402
Publications	506	-	506	864
External communications	1,303	96	1,399	1,552
	2,820	96	2,916	3,286
13 Heritage and investing in our future				
Library and museum services	751	-	751	1,431
RCP North	302	-	302	1,270
	1,053	-	1,053	2,701

Notes to the financial statements continued

14 Expenditure on	Direct costs	Staff costs	Other support costs	Total 2021	Total 2020
	£000	£000	£000	£000	£000
Raising funds					
Fundraising costs	116	244	145	505	346
Investment management fees	154	-	-	154	165
Meetings and events (non-medical)	664	-	795	1,459	1,033
Charitable expenditure					
Care Quality Improvement	1,968	3,990	2,652	8,610	8,867
Education and Federation	4,141	4,086	3,609	11,836	9,731
Membership Support and Global Engagement	401	1,330	2,115	3,846	3,759
Communications, Policy and Research	588	1,698	630	2,916	3,286
Heritage and investing in our future	70	525	458	1,053	2,701
Meetings and events (medical)	1,354	1,065	1,061	3,480	4,350
Trusts and fellowships	36	-	3	39	69
Total for 2021	9,492	12,938	11,468	33,898	34,307
Total for 2020	10,557	13,969	9,761	34,307	
				2021	2020
				£000	£000
The analysis of other support costs is as follows:					
Administrative overheads				2,503	2,635
Information technology costs				2,921	2,673
Building overheads				3,403	2,055
Travel, meetings, subscriptions and journals				189	26
Governance costs*				110	127
Other costs, including staff costs of central services				2,342	2,245
				11,468	9,761

*Governance costs include fees payable to the auditors from audit fees of £46.9k (2020: £45.6k) and non-audit services of £2.8k (2020: £3k).

Notes to the financial statements continued

15	Employees and trustees	2021	2020
	The total costs of salaries and wages were as follows:	£000	£000
	Salaries and wages	14,719	15,227
	Social security costs	1,506	1,575
	Pension costs	1,323	1,407
		17,548	18,209
		2021	2020
	The average number of employees in the year was:	403	413
	The number of employees whose emoluments exceeded £60,000 were:		
	£60,001–£70,000	13	14
	£70,001–£80,000	7	9
	£80,001–£90,000	3	3
	£90,001–£100,000	4	5
	£100,001–£110,000	3	1
	£110,001–£120,000	-	1
	£120,001–£130,000	-	-
	£130,001–£140,000	-	-
	£140,001–£150,000	1	1
		2021	2020
15a	Key management personnel	£000	£000
	Total employee benefits paid to key management personnel (Including pension contributions)	1,205	1,161
15b	Termination payments	2021	2020
	No of payments	18	13
	Value of payments (£000)	198	103
15c	Payments to trustees**	2021	2020
	No of payments made to trustees, this includes payments to officers supporting their defined roles as senior officers as well as their trustee roles. No other remuneration was paid to trustees from the RCP in the current or preceding years.	6	7
	Value of payments (£000)	10	8

*As at year-end £28k remained outstanding for termination payments.

**Trustees are not remunerated and this is a reimbursement of costs.

Notes to the financial statements continued

16a Intangible IT assets (Group and RCP)	Intangible IT assets in use	Intangible IT assets under construction	Total 2021
	£000	£000	£000
Cost at 1 January 2021	4,689	363	5,052
Additions	80	174	254
Transfers/adjustments	124	(124)	-
Cost at 31 December 2021	4,893	413	5,306
Accumulated amortisation at 1 January 2021	(3,635)	-	(3,635)
Amortisation for the year	(501)	-	(501)
Accumulated amortisation at 31 December 2021	(4,136)	-	(4,136)
Net book value at 31 December 2021	757	413	1,170
Net book value at 31 December 2020	1,054	363	1,417

16b Tangible assets (Group and RCP)	Leasehold properties	Furniture and fixtures	IT & AV tangible assets	Assets under construction	Total 2021
	£000	£000	£000	£000	£000
Cost at 1 January 2021	22,880	1,261	2,825	12,312	39,278
Additions	671	-	213	3,705	4,589
Transfers/adjustments*	12,543	1,440	1,967	(15,950)	-
Cost at 31 December 2021	36,094	2,701	5,005	67	43,867
Accumulated depreciation at 1 January 2021	(13,542)	(610)	(1,802)	-	(15,954)
Depreciation for the year	(1,275)	(176)	(458)	-	(1,909)
Disposals	-	-	-	-	-
Accumulated depreciation at 31 December 2021	(14,817)	(786)	(2,260)	-	(17,863)
Net book value at 31 December 2021	21,277	1,915	2,745	67	26,004
Net book value at 31 December 2020	9,338	651	1,023	12,312	23,324

*The majority of the transfer balance in year relates to accounting for use of fit-out at The Spine.

Notes to the financial statements continued

17 Investments (Group and RCP)		-----Unrestricted-----				Total
	Designated for leasehold	General	Restricted	Endowment	2021	2020
	£000	£000	£000	£000	£000	£000
Market value at 1 January 2021	72	20,867	1,888	10,105	32,932	48,194
Additions at cost	18	123	-	-	141	3,053
Disposals	(18)	(192)	(322)	(34)	(566)	(19,775)
(Loss)/gains	(20)	2,426	66	1,491	3,963	1,460
Total investments at 31 December 2021	52	23,224	1,632	11,562	36,470	32,932
Historical cost as at 31 December 2021	-	17,629	462	10,288	28,379	34,597
The above investments are held as follows:					2021	2020
					£000	£000
Equities					24,196	18,462
Bonds					2,911	2,914
Multi-asset funds					1,778	3,064
Alternatives					4,923	4,722
Cash					2,662	3,770

18 Debtors (Group and RCP)		2021		2020	
		Group	RCP	Group	RCP
		£000	£000	£000	£000
Current					
Trade debtors		1,303	1,103	1,179	1,089
Other debtors		53	53	998	998
Prepayments		927	927	524	524
Accrued income		1,532	1,532	3,401	3,401
Non-current					
Loans due from subsidiary		-	399	-	275
Total		3,815	4,014	6,102	6,287

Notes to the financial statements continued

19 Creditors and accrued expenses (Group and RCP)	2021		2020	
	Group	RCP	Group	RCP
	£000	£000	£000	£000
Current				
Trade creditors	945	765	912	871
Other creditors	3,163	2,378	3,089	2,859
Tax and social security creditors	562	562	421	421
Accruals	3,959	3,952	5,809	5,803
Revolving credit facility	7,500	7,500	7,500	7,500
Amount due to subsidiary undertaking	-	791	-	214
Obligations under finance lease	170	170	77	77
Total	16,299	16,118	17,808	17,745
Examination and other income received in advance (Group and RCP)	Balance b/f 1 Jan 21	Released to SOFA	Received in year	Balance c/f 31 Dec 21
	£000	£000	£000	£000
Examination income	4,523	4,523	5,380	5,380
Other income	2,703	2,703	2,036	2,036
Total	7,226	7,226	7,416	7,416
Non-current				
	Group	RCP	Group	RCP
	£000	£000	£000	£000
Accruals	2,690	2,690	459	459
Obligations under finance lease	579	579	274	274
Total	3,269	3,269	733	733

Notes to the financial statements continued

19b Provisions for liabilities (Group)	Other £000	2021 total	2020 total
Provisions at 1 January	127	127	-
Additional provisions made in the year	-	-	127
Provisions released from prior years	(84)	(84)	-
Provision for liabilities at 31 December	43	43	127

20 Financial assets and liabilities	2021 £000	2020 £000
Financial assets held at fair value	36,470	32,932
Gains/(losses) on assets held at fair value	3,962	1,460

21 Unrestricted funds	Balance as at 01/01/2021 £000	Income £000	Expenditure £000	Gains/losses £000	Transfers £000	Balance as at 31/12/2021 £000
Unrestricted general	12,423	28,985	(28,704)	5,342	(1,696)	16,350
Unrestricted designated						
Fixed and Intangible Assets Fund	17,241	-	-	-	2,432	19,673
Legacies Development Fund	147	-	-	-		147
Care Quality Improvement	105	-	-	-		105
Total	29,916	28,985	(28,704)	5,342	736	36,275

Fixed and Intangible Assets Fund – this represents the amounts set aside from the general fund to fund the net book value of the RCP’s fixed and intangible assets.

Legacies Development Fund – the fund will be utilised for appropriate and relevant projects for such purposes that the major donors can be recognised and remembered.

Care Quality Improvement – funds remaining on completed projects have been designated with the aim of expanding the work carried out by this directorate.

Notes to the financial statements continued

22 Restricted funds	Balance at 01/01/2021	Income	Expenses	Gains	Transfers	Balance at 31/12/2021
	£000	£000	£000	£000	£000	£000
Care Quality Improvement	794	1,689	(1,874)	-	-	609
National Guideline Centre	119	2,544	(2,579)	-	-	84
Education	700	422	(380)	-	-	742
Membership Support and Global Engagement	164	1	-	-	(157)	8
Drabu MTI Programme	43	-	-	-	2	45
Eric Watts donation	67	-	(33)	-	-	34
RCP North	0	580	-	-	(580)	-
Physicians' Fund	200	17	(49)	-	-	168
Dorothy Whitney Wood – Physicians' Fund	518	-	(25)	-	-	493
COVID-19 appeal	38	64	(21)	-	-	81
External communications	88	88	(79)	-	-	97
Dr Everley-Jones legacy	102	1	-	-	-	103
Harold Thomas Barten Trust	109	1	(1)	14	-	123
Frank Peacock Bequest	67	1	-	9	-	77
Catherine Mills Bequest	73	1	-	10	-	84
Queenie Louisa Higgins Bequest	48	1	-	6	-	55
Thomas Cotton Trust	73	-	-	-	4	77
The Saltwell Will Trust Research Branch	138	-	-	-	16	154
17 other funds balances below £40,000	369	96	(59)	27	10	443
Total	3,710	5,506	(5,100)	66	(705)	3,477

Funds with closing balances over £100k are as follows:

The grants for Care Quality Improvement and Education are received in respect of specific projects.

The Physicians' Fund awards grants to trainees and new consultants pursuing innovation in medicine. The grants enable recipients to take up to 12 months out of clinical practice to undertake research in a UK institution and are funded by donors to the RCP.

The Dorothy Whitney Wood Physicians' Fund relates to a legacy received in 2020 to establish the Whitney-Wood Scholarship to be awarded for the purposes of research in the field of medicine preferably concerned with the understanding and management of cancer.

The Dr Everley-Jones legacy was received from the estate of Dr Everley-Jones, to be used in the field of communication in medicine in its broadest sense, encompassing all aspects of information technology.

The Harold Thomas Barten Trust is to be used for the purpose of scientific study of the human brain and mental disorder.

Notes to the financial statements continued

23 Endowment funds	Unapplied total return	Income	Gains	Conversion to income	Transfers	Unapplied total return	'Frozen' permanent capital	Total endowment
	01/01/2021					31/12/2021	31/12/2021	31/12/2021
	£000	£000	£000	£000	£000	£000	£000	£000
Bradshaw Trust	185	4	42	(3)	-	228	143	371
Eden Fellowship in Paediatrics	1,145	17	166	(6)	-	1,322	142	1,464
John Rosser Scholarship	31	1	9	-	-	41	42	83
Joseph Senior White Trust	109	4	35	(1)	-	147	161	308
Lewis Thomas Gibbon Jenkins-Briton Ferry	1,363	35	338	(20)	-	1,716	1,250	2,966
ORL Wilson Bequest	110	3	20	(1)	-	132	44	176
James Maxwell Grant Proffit Bequest	465	13	130	(20)	-	588	539	1,127
Sadleir Trust	373	6	60	(3)	-	436	91	527
Samuel Leonard Simpson Fellowship	643	12	119	(5)	-	769	280	1,049
T K Stubbins bequest	29	2	17	(14)	-	34	104	138
Watson Smith Trust	555	14	133	(5)	-	697	470	1,167
William Withering Prize	140	2	23	(1)	-	164	38	202
Dr J D Ramsay Scholarship	48	1	10	-	-	59	30	89
Graham Bull Prize	52	1	10	-	-	63	25	88
Sir Michael Perrin Lecture	79	1	12	-	-	92	12	104
Lady Teale Lecture	100	2	19	(1)	-	120	44	164
John Glyn	101	2	23	(1)	-	125	80	205
Dame Sheila Kift Bequest	36	1	10	-	-	47	38	85
John Thornton Ingram Lecture	31	-	5	-	-	36	6	42
Lockyer Lectureship and Fellowship	27	1	5	-	-	33	12	45
Simms Bequest	22	1	5	-	-	28	16	44
Professor PF Thomas Bequest	26	1	7	-	-	34	25	59
10 other funds with balances below £40,000	62	1	14	(2)	-	75	50	125
Subtotal	5,732	125	1,212	(83)	-	6,986	3,642	10,628

Notes to the financial statements continued

Funds not included in total return	Balance at 01/01/2021	Income	Gains	Conversion to income	Transfers	'Frozen' permanent capital	Balance at 31/12/2021
	£000	£000	£000	£000	£000	£000	£000
Thomas Cotton Fund	186	4	15	-	(4)	-	201
The London Fever Hospital Research Fund	175	3	25	(1)	(3)	-	199
Saltwell Will Trust Research Branch	1,076	16	157	(6)	(16)	-	1,227
Will Edmunds Clinical Research Fund	487	7	66	(3)	(7)	-	550
Drabu Fund	122	2	16	(1)	(2)	-	137
Subtotal	2,046	32	279	(11)	(31)	-	2,315
Total endowment	7,778	157	1,491	(94)	(31)	3,642	12,943

The RCP received a total return order from the Charity Commission, dated 6 February 2012, which enables the trustees to decide which part of the unapplied total return from the investment of the charity's permanent endowments should be held on trust for application for the purposes of the charity.

Funds with closing balances over £300k are as follows:

- > The Bradshaw Trust was founded by a bequest from Mrs Sally Hall Bradshaw by her will of 1875, in memory of her husband Dr William Wood Bradshaw MRCP FRCS (1800–1866): £1,000 to endow an annual lecture on a subject connected with medicine or surgery. The lecturer is appointed by the president: the honorarium is £20.
- > The Eden Fellowship in Paediatrics was established in 1947 from the estate of Dr Thomas Watts Eden, to establish and maintain travelling fellowships for the study of childhood in health and disease.
- > The Lewis Thomas Gibbon Jenkins of Briton Ferry Memorial Trust was received by the RCP in November 1998 from the executors of Mrs Nancy Crawshaw's will. The capital is to remain intact for a minimum of 21 years after her death. The income is to be applied for the promotion of medical research connected with a physical disorder prevalent in Wales.
- > The Joseph Senior White Trust was by a bequest from Mrs Eliza White received in 1953, in memory of her husband Joseph Senior White to be used for scientific research solely with a view to the discovery of means to alleviate human suffering and for the prevention and cure of diseases.
- > The James Maxwell Grant Prophit Trust was received in November 1998. The endowment is an addition to the Prophit Bequest and as with the original bequest the fund is to be devoted to the promotion and furthering of research work concerning the nature, causes, prevention, treatment and cure of tuberculosis.
- > The Samuel Leonard Simpson Fellowship was founded in 1984 by a gift of shares/stocks from Mrs HM Simpson in memory of her husband Dr Samuel Leonard Simpson FRCP (1900–1983) for a travelling scholarship in endocrinology.
- > The Watson Smith Trust was a bequest from Dr Sydney Watson Smith FRCP in memory of his wife and himself, to endow an annual lecture and medical research fellowship.
- > The Sadleir Trust was established by a bequest from Lady Sadleir, wife of Sir Edwin Sadleir Bt and widow of Dr William Croone (1633–1684), fellow of the RCP, to provide for the two annual lectures Dr Croone had planned, but for which he had made no endowment: one to be read before the Royal College of Physicians by a fellow of the college, with a sermon to be preached at St Mary-le-Bow; the other on the nature and laws of muscular motion to be delivered before the Royal Society.
- > Saltwell Will Trust Research Branch was established for the income generated to be used to aid research work in connection with and the cure and prevention of cancer, rheumatism, malaria and morbid conditions of the prostate gland.
- > Will Edmunds Clinical Research Fund was established in 1925 to award a fellowship in clinical research in hospitals in the Metropolitan area of London. The research must concern diseases usually treated at a general hospital, excluding tropical and rare diseases.

Notes to the financial statements continued

24 Analysis of group net assets after pension scheme liability							
		Intangible and tangible assets	Loan	Investments	Net liabilities inc. pension liability	Total 2021	Total 2020
		£000	£000	£000	£000	£000	£000
Unrestricted:							
Designated	Fixed Assets Fund	27,174	(7,500)	-	-	19,673	17,241
	Legacies Development Fund	-		-	147	147	147
	Care Quality Improvement	-		-	105	105	105
		27,174	(7,500)	-	252	19,925	17,493
General funds			-	23,275	(6,924)	16,350	12,423
		27,174	(7,500)	23,275	(6,673)	36,275	29,916
Restricted		-		1,633	1,844	3,477	3,710
Endowment	-		-	11,562	1,381	12,943	11,420
Total		27,174	(7,500)	36,470	(3,448)	52,695	45,046

Notes to the financial statements continued

25 Trading subsidiary – The RCP Regent's Park Limited

The trading results and balance sheet of the RCP subsidiary company as extracted from its audited accounts are set out below.

	2021	2020
	£000	£000
Profit and loss account		
Turnover	1,448	928
Cost of sales	(594)	(476)
Gross profit	854	452
Administrative expenses	(865)	(558)
Operating profit/(loss)	(11)	(106)
Gift aid to Royal College of Physicians	-	-
Retained profit/(loss) for the financial year	(11)	(106)

Included within operating costs is £795k (2020: £530k), which represents a reimbursement in respect of costs incurred by the RCP.

	2021	2020
	£000	£000
Balance sheet		
Debtors	199	90
Debtor – due from RCP	791	214
Balance at bank	264	142
Current and total assets	1,254	446
Creditors due within 1 year:	(972)	(277)
Creditors due more than 1 year:	(399)	(275)
Total creditors	(1,371)	(552)
Net assets	(117)	(106)

Capital and reserves

Accumulated deficit	(117)	(106)
Called up share capital	£1	£1
Shareholders' funds	£1	£1

The RCP's wholly owned trading subsidiary, The RCP Regent's Park Limited, was incorporated on 17 September 2001, company registration 04288664.

The operating loss for the year ended 31 December 2021 was £117k (2020: loss £106k).

The principal activity of the company is to organise, provide facilities for and hold conferences, seminars, and courses of instruction, demonstrations, lectures, exhibitions, private dinners and functions.

26 Pension schemes

Total pension costs charged for the year were £49k (2020: £79k) for the defined benefit pension scheme and employer pension contributions of £1,323k (2020: £1,407k) for the defined contribution pension scheme.

There are two defined contribution schemes. One scheme closed to new members in 2018 – employer contribution rates for this defined contribution scheme are determined by the members' age bands with incremental rates for older members. The new scheme opened for new membership has a flat employer contribution rate of 7%.

The defined benefit pension scheme is closed to new members and closed to future accrual. There is no further salary linkage. For the purposes of FRS 102 the valuation of the defined benefit scheme has been calculated under FRS 102 as at 31 December 2021 by a qualified actuary.

The valuation, details of which are given below, shows £21.96 million of assets and £22.34 million of liabilities, resulting in a deficit of £0.39 million.

The scheme's assets and liabilities as at 31 December 2021, analysis of pension costs and details of the valuation were as follows:

Principal assumptions	2021	2020	2019	2018	2017
	% per annum	% per annum	% per annum	% per annum	% per annum
Discount rate	1.85	1.30	2.00	2.90	2.50
Aggregate long-term expected rate of return on assets	1.85	1.30	2.00	2.90	2.50
Rate of increase of salaries	n/a	n/a	n/a	n/a	n/a
RPI inflation assumption for pensions in payment	3.25	2.75	3.00	3.25	3.20
CPI inflation assumption for deferred pensions	2.65	2.15	2.00	2.25	2.20
Pension increases	3.15	2.75	2.95	3.15	3.10
Pension commencement lump sum taken at retirement	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value

Mortality tables: 90% of S2PMA tables for men and 80% of S2PFA tables for women using CMI 2018 projections with a 1.25% long-term rate of improvement based on year of birth.

Notes to the financial statements continued

The assets valued below are in the form of monies invested with Standard Life, Newton Investment Management and Legal and General Investment Management, together with the trustees' bank account. The assets in the scheme and the expected rate of return were:

Assets breakdown	2021	2020
	%	%
Real return and absolute return funds	-	-
Diversified Growth Fund	-	-
UK Government index-linked gilts	-	-
Corporate bonds	-	-
Multi asset credit	33.00	34.44
UK corporate bonds	12.69	14.12
Liability driven investments	22.21	27.33
Equities	16.31	14.91
Cash	15.79	9.20
Total market value of assets	100	100

The pension scheme has not invested in any of Royal College of Physicians' own financial instruments, nor in properties or other assets used by the Royal College of Physicians. The assets are all quoted in an active market.

Movement in deficit during the year	2021	2020
	£000	£000
Pension scheme liability at the beginning of the year	(4,239)	(4,243)
Actuarial losses and gains on present value of obligations	416	(2,315)
Experience gains and losses on defined benefit obligations	1,430	-
Gains/(losses) on return of scheme assets	1,091	1,713
Employer contributions	965	685
Net interest on the net defined benefit liability	(49)	(79)
	(386)	(4,239)
	2021	2020
	£000	£000
Present value of scheme liabilities at beginning of the year	24,526	22,482
Interest cost	315	443
Actuarial (loss)/gain on scheme liability assumption changes	(1,846)	2,315
Benefits paid	(653)	(714)
Present value of scheme liabilities at the end of the year	22,342	24,526

Notes to the financial statements continued

Movement in deficit during the year	2021	2020
	£000	£000
Fair value of scheme assets at beginning of the year	20,287	18,239
Interest income	266	364
Return on scheme assets	1,091	1,713
Employer contributions	965	685
Benefits paid	(653)	(714)
Fair value of scheme assets at the end of the year	21,956	20,287
	2021	2020
	£000	£000
Fair value of scheme assets	21,956	20,287
Value of liabilities (defined benefit obligation)	(22,342)	(24,526)
Funded status	(386)	(4,239)
Recognised pension scheme liability	(386)	(4,239)

Analysis of pension scheme assets and liabilities for the current and previous five financial periods	2021	2020	2019	2018	2017	2016
	£000	£000	£000	£000	£000	£000
Present value of scheme liability	(22,342)	(24,526)	(22,482)	(19,966)	(22,604)	(22,962)
Fair value of scheme assets	21,956	20,287	18,239	16,988	16,690	15,683
Deficit	(386)	(4,239)	(4,243)	(2,978)	(5,914)	(7,279)

At the date of the last triennial statutory actuarial assessment as at 1 January 2018, the market value of the scheme was £19.3 million and the actuarial value of those assets represented 83% of the value of the benefits which had accrued at that date, allowing for future pension increases.

Notes to the financial statements continued

27	Lease obligations	2021	2020
		£000	£000
	Operating leases on land and buildings, by expiry date:		
	Under 1 year	13	123
	1 to 5 years	34	58
	5 years plus	27,562	27,571
	Total future minimum operating lease commitments	27,609	27,752
	Operating leases on office equipment and computers, by expiry date:		
	Under 1 year	11	20
	1 to 5 years	-	11
	5 years plus	-	-
	Total future minimum operating lease commitments	11	31
	Finance leases on IT equipment, by expiry date:		
	Under 1 year	91	91
	1 to 5 years	204	294
	5 years plus	-	-
	Total future finance lease commitments	295	385
	Finance leases on land and buildings, by expiry date:		
	Under 1 year	100	-
	1 to 5 years	375	-
	5 years plus	-	-
	Total future minimum finance lease commitments	475	-

In August 2019 the RCP signed an agreement for lease for 69,890 square feet over seven floors of 'The Spine' with Liverpool City Council for 25 years. The rental for the total period is £27.5 million. The lease came into effect at the end of June 2020.

The new finance lease in year, relates to integrated equipment within The Spine.

28 Related party transactions

The Royal College of Physicians, a charity registered (charity number 210508) in England and Wales, is the ultimate controlling parent of its subsidiary undertaking, The RCP Regent's Park Limited, which is consolidated on a line-by-line basis in these group accounts. During the year the Royal College of Physicians received £795k income from The RCP Regent's Park Limited. At 31 December 2021 The RCP Regent's Park Limited owed the RCP £399k in relation to an inter-company loan and the RCP owed the trading company £791k in respect of inter-company transactions. There were no other related party transactions in the period.

29 Comparative notes from the prior year

a Consolidated statement of financial activities for the year ended 31 December 2020

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds 31 Dec 20	31 Dec 19
		£000	£000	£000	£000	£000
Income from:						
Fundraising	2	307	1,931	-	2,238	594
Charitable activities						
Care Quality Improvement	3	2,501	4,876	-	7,377	8,530
Education and Federation	4	9,819	159	-	9,978	17,982
Membership Support and Global Engagement	5	7,818	2	-	7,820	8,096
Communications, Policy and Research*	6	42	88	-	130	130
Heritage and investing in our future	7	71	-	-	71	73
Meetings and events (medical)		573	-	-	573	4,269
Activities to generate funds						
Investment income	8	448	18	200	666	1,085
Meetings and events (non-medical) – trading	25	928	-	-	928	1,772
COVID-19 Job Retention Scheme		1,083	11	-	1,094	
Other income		148	-	-	148	201
Total income		23,738	7,085	200	31,023	42,732
Expenditure on:						
Raising funds						
Fundraising costs		346	-	-	346	253
Investment management fees		113	4	48	165	159
Meetings and events (non-medical)	25	1,033	-	-	1,033	1,713
		1,492	4	48	1,544	2,125
Charitable activities						
Care Quality Improvement	9	4,181	4,686	-	8,867	10,605
Education and Federation	10	9,244	487	-	9,731	14,138
Membership Support and Global Engagement	11	3,602	157	-	3,759	4,668

Notes to the financial statements continued

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds	
					31 Dec 20	31 Dec 19
Communications, Policy and Research	12	3,211	75	-	3,286	4,016
Heritage and investing in our future	13	2,698	3	-	2,701	2,265
Meetings and events (medical)		4,350	-	-	4,350	6,016
Trusts and fellowships		-	3	66	69	66
Total expenditure	14/15	28,778	5,415	114	34,307	43,899
Net operating (loss)/gain		(5,040)	1,670	86	(3,284)	(1,167)
Net gains/(losses) on investment assets		1,064	15	381	1,460	3,712
Net income/(expenditure)		(3,976)	1,685	467	(1,824)	2,545
Transfers between funds	21/22	1,353	(1,331)	(22)	-	-
Actuarial (losses)/gains on defined benefit pension scheme	26	(602)	-	-	(602)	(1,874)
Net movement in funds for the year		(3,225)	354	445	(2,426)	671
Funds brought forward at 1 Jan 2020	21/22/23	33,141	3,356	10,975	47,472	46,801
Funds carried forward at 31 December 2020		29,916	3,710	11,420	45,046	47,472

b Unrestricted funds 2020

21 Unrestricted funds						
	Balance as at 01/01/2020	Income	Expenditure	Gains/losses	Transfers	Balance as at 31/12/2020
	£000	£000	£000	£000	£000	£000
Unrestricted general	13,678	23,738	(28,778)	443	3,342	12,423
Unrestricted designated						
Leasehold Replacement Fund	4,357	-	-	19	(4,376)	-
Fixed and Intangible Assets Fund	14,780	-	-	-	2,461	17,241
Legacies Development Fund	147	-	-	-	-	147
Care Quality Improvement	105	-	-	-	-	105
Total	33,141	23,738	(28,778)	462	1,353	29,916

c Restricted funds 2020

Restricted funds	Balance at 01/01/2020	Income	Expenses	Gains	Transfers	Balance at 31/12/2020
	£000	£000	£000	£000	£000	£000
Care Quality Improvement*	620	2,122	(1,971)	-	23	794
National Guideline Centre	-	2,761	(2,640)	-	(2)	119
Education	962	163	(425)	-	-	700
Membership Support and Global Engagement***	178	2	(20)	-	4	164
Drabu MTI Programme	37	10	(6)	-	2	43
Physicians for Africa***	24	127	(131)	-	-	20
Eric Watts donation	100	-	(33)	-	-	67
RCP North**	100	1,051	-	-	(1,151)	-
Physicians' Fund**	120	80	-	-	-	200
External communications	75	88	(75)	-	-	88
Dr Everley-Jones legacy	320	5	(2)	6	(227)	102
Harold Thomas Barten Trust	106	2	(1)	2	-	109
Frank Peacock Bequest	65	1	-	1	-	67
Catherine Mills Bequest	70	2	-	1	-	73
Queenie Louisa Higgins Bequest	47	-	-	1	-	48
Thomas Cotton Trust	73	-	-	-	-	73
The London Fever Hospital Fund	15	1	-	-	3	19
The Saltwell Will Trust Research Branch	124	-	-	-	14	138
Will Edmunds Clinical Research Trusts	24	-	-	-	3	27
17 other funds balances below £40,000	296	10	(7)	4	-	303
Total	3,356	7,085	(5,415)	15	(1,331)	3,710

*formerly Clinical Standards

**formerly Fundraising

***formerly included in Membership Support and Global Engagement

d Endowment funds 2020

Endowment fund	Unapplied total return 01/01/2020	Income	Gains	Conversion to income	Transfers	Unapplied total return 31/12/2020	'Frozen' permanent capital 31/12/2020	Total endowment 31/12/2020
	£000	£000	£000	£000	£000	£000	£000	£000
Bradshaw Trust	203	7	6	(31)	-	185	143	328
Eden Fellowship in Paediatrics	1,102	26	23	(6)	-	1,145	142	1,287
John Rosser Scholarship	29	1	1	-	-	31	42	73
Joseph Senior White Trust	101	4	5	(1)	-	109	161	270
Lewis Thomas Gibbon Jenkins-Briton Ferry	1,297	50	47	(31)	-	1,363	1,250	2,613
ORL Wilson Bequest	105	3	3	(1)	-	110	44	154
James Maxwell Grant Prophit Bequest	433	19	18	(5)	-	465	539	1,004
Sadleir Trust	357	10	8	(2)	-	373	91	464
Samuel Leonard Simpson Fellowship	613	17	17	(4)	-	643	280	923
T K Stubbins bequest	40	3	3	(17)	-	29	104	133
Watson Smith Trust	522	20	18	(5)	-	555	470	1,025
William Withering Prize	134	4	3	(1)	-	140	38	178
Dr J D Ramsay Scholarship	46	1	1	-	-	48	30	78
Graham Bull Prize	51	-	1	-	-	52	25	77
Sir Michael Perrin Lecture	76	1	2	-	-	79	12	91
Lady Teale Lecture	95	3	3	(1)	-	100	44	144
John Glyn	95	4	3	(1)	-	101	80	181
Dame Sheila Kift Bequest	34	1	1	-	-	36	38	74
17 other funds with balances below £40,000	161	4	5	(2)	-	168	109	277
Subtotal	5,494	178	168	(108)	-	5,732	3,642	9,374

Notes to the financial statements continued

Funds not included in total return	Balance at 01/01/2020	Income	Gains	Conversion to income	Transfers	'Frozen' permanent capital	Balance at 31/12/2020
	£000	£000	£000	£000	£000	£000	£000
Thomas Cotton Fund	180	-	6	-	-	-	186
The London Fever Hospital Research Fund	168	3	8	(1)	(3)	-	175
Saltwell Will Trust Research Branch	924	14	155	(3)	(14)	-	1,076
Will Edmunds Clinical Research Fund	447	3	41	(1)	(3)	-	487
Drabu Fund	120	2	3	(1)	(2)	-	122
Subtotal	1,839	22	213	(6)	(22)	-	2,046
Total endowment	7,333	200	381	(114)	(22)	3,642	11,420

e Analysis of group net assets after pension scheme liability 2020

Analysis of group net assets after pension scheme liability					Total	
		Intangible and tangible assets	Loan	Investments	Net current assets inc. pension liability	
		£000	£000	£000	£000	£000
Unrestricted:						
Designated	Leasehold Replacement Fund	-	-	-	-	4,357
	Fixed Assets Fund	24,741	(7,500)	-	-	14,780
	Legacies Development Fund	-	-	-	147	147
	Care Quality Improvement	-	-	-	105	179
		24,741	(7,500)	-	252	19,463
General funds		-	-	20,939	(8,516)	13,678
		24,741	(7,500)	20,939	(8,264)	33,141
Restricted		-	-	1,888	1,822	3,356
Endowment		-	-	10,105	1,315	10,975
Total		24,741	(7,500)	32,932	(5,127)	47,472

30 Capital commitments

The Royal College of Physicians had a capital commitment of £974k as at 31 December 2021 (2020: £3,284k), the majority of which relates to electrical works on the Regent's Park estate.

31 Contingent liabilities

Historically, the College has accounted for Federation activity in its VAT returns; however, in 2022 the Federation registered for VAT in its own name and will now submit its own VAT returns, but also is required to make retrospective returns back to 2008. The Federation estimates that the VAT charge retrospectively could be £740,000; however, this is before any retrospective returns are submitted by the College to exclude Federation activity and a recalculation of the partial exemption methodology, thereby generating a refund of VAT payable that may offset in part or in full the retrospective Federation VAT charge. The resolution of this matter is expected by the end of 2022.

The Trustees of the defined benefit pension scheme have engaged legal advisers to advise on whether previous scheme deeds going back to 1974 have been properly implemented. These involve both terms of the scheme as well as removal and appointment of trustees. In anticipation that this work will result in more favourable benefits and therefore higher liabilities, the actuarial valuation of the defined benefit pension scheme dated 1 January 2021 contained a contingency in anticipation of this. Although that contingency is only an approximation and not recognised in the accounting valuation of the scheme, there will be an increase to the deficit repair plan payments from 2022 onwards and until the next actuarial valuation at 1 January 2024. It is not expected that the resolution of this matter will be complete until at least the end of 2022.

Awards, fellowships and major donors

Awards, prizes and lectures

Ambuj Nath Bose prize

Dr Stephen Walker

Christmas lecture

Dr Sheuli Porkess

Croonian lecture

Professor Hywel Williams

FitzPatrick lecture

Professor Andrew Lees

Graham Bull prize and Goulstonian lecture

Professor Rickie Patani

Harveian orator

Professor Sir Jonathan Van-Tam MBE

Lady Estelle Wolfson lecture in translational medicine

Dr Axel Petzold

Linacre lecture

Dr Lucy Turner

Moxon medal

Professor Wei Shen Lim

President's medal

Dr Peter Belfield

Teale essay prize for trainees

Caitriona Cox

Samuel Gee lecture

Professor Mary Reilly

RCP-NIHR Clinical Research Network awards

Dr Ashish Abdul

Dr David Tucker

Dr Hermione Price

Dr Richard Balasubramaniam

Professor Andrew Ustianowski

Dr Amit Patel

Fellowships and bursaries

John Glyn bursary in rheumatology

Dr Ilfita Sahbudin

Lewis Thomas Gibbon Jenkins of Briton Ferry fellowship

Dr David Williams

Samuel Leonard Simpson fellowship in endocrinology

Dr Tim Robbins

Whitney-Wood scholarship

Dr Amit Sud

Wellbeing of women – RCP entry level research scholarship

Dr Melanie Nana

Fellowship admissions

New fellows

1,134 elected under bye-law 8.2 (1) a
6 elected under bye-law 8.2 (1) b
166 elected under bye-law 8.2 (1) c
3 elected under bye-law 8.6 (1)

New honorary fellows

George Abraham
Dr Rosemarie Baillod
John Cairns
Michael Dixon
Dr Bruce J Kirenga
Dr Yukari C Manabe
Adam Matthews
Graham Meek
Professor Sir Jonathan Van-Tam MBE

Major donors for 2021

The Amateurs Trust
AstraZeneca UK
BD
Professor William Brumfitt
CAE Healthcare
Daiichi Sankyo
Dinwoodie Charitable Company
Dr Barry Anthony Enoch
Sir Andrew Goddard
GSK
Jerwood Foundation
Modiano Charitable Trust
Norgine
Novartis
Novo Nordisk

Professor Chuka Nwokolo CBE
Overbury
Pfizer
Rosetrees Trust
Sanofi
Takeda
Tay Charitable Trust
Dr Olwen Williams OBE
The Williams Charitable Trust
The Wolfson Foundation

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