

Reconnecting



and



rebuilding

RCP annual report 2022

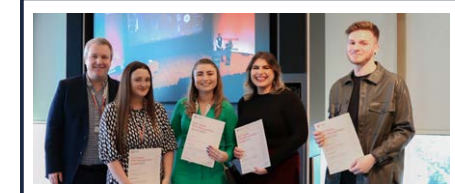
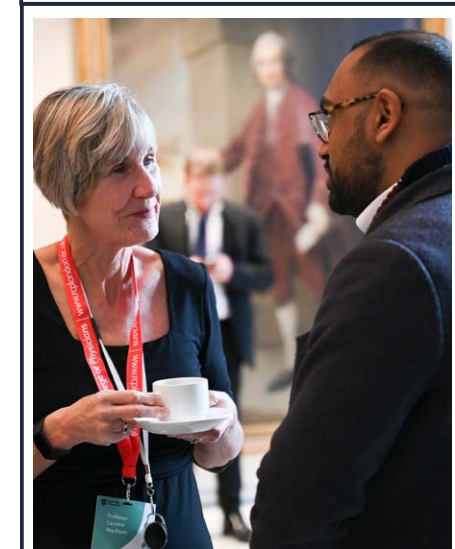
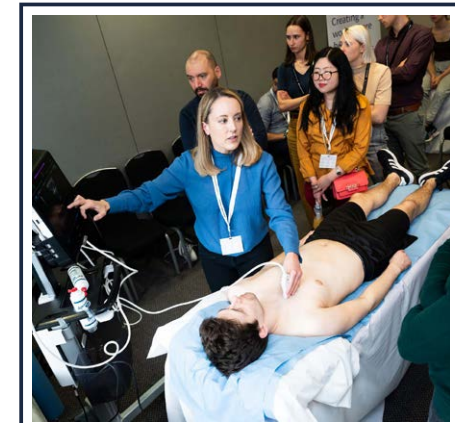


Royal College
of Physicians



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Who we are and what we do

About the RCP

The Royal College of Physicians (RCP) is a professional membership body for physicians, with around 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 in the NHS and more broadly.

Our partnership with patients

Our Patient and Carer Network (PCN) was established in 2004. A network of volunteers throughout England and Wales, PCN members are involved in the full range of RCP activities. Their invaluable contribution helps to ensure a continuous focus on patient-centred care, patient safety and health improvement. Partnership is key, with patients and carers providing a vital range of lived experiences and perspectives, which help to inform the design and delivery of healthcare.



“ At a time of significant pressures upon the NHS and rapid technological change, it is more important than ever that the patient voice is central to the dialogue about future healthcare. The PCN is an integral part of the RCP and proud to help shape its work on behalf of patients.’

– Eddie Kinsella, chair of the RCP Patient and Carer Network

Our vision, mission and values

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

Our values are **taking care**, **learning** and **being collaborative**.



Public benefit

The Royal College of Physicians (RCP) was established by royal charter from Henry VIII 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 Visitor, HM The Queen

The RCP was saddened by the death of our Visitor Her Majesty The Queen in 2022. As Visitor – the equivalent of a patron for other organisations, but a much older term reflecting the RCP’s heritage – Her Majesty visited the college three times, most recently in 2018 to mark our 500th anniversary.

During this visit, The Queen came face to face with a portrait of her predecessor King Henry VIII, who agreed to the founding of the college in 1518 when asked by his own personal doctor Thomas Linacre.

We now welcome His Majesty King Charles III as the RCP’s Visitor, in keeping with our heritage.

Foreword



Dr Sarah Clarke, RCP president **Dr Ian Bullock, chief executive**

We began 2022 with the launch of our new strategy focused on the three key strategic priorities of educating, improving and influencing. We built on the RCP's position as a thought leader, collaborator, critical friend and enabler, as we worked throughout the year to support the NHS, improve patient care, and remain relevant to our membership and the wider healthcare community. Our members and fellows continue to be at the heart of our activities and lead national conversations on vital health and care issues.

This report is written during a time of great geopolitical uncertainty, economic challenge and the continued long tail effect of COVID-19 on NHS core services. The ongoing social impacts threaten to worsen current health inequalities and access to health. This remains a key focus for us as an organisation, with the RCP continuing to use its influence to achieve our vision of 'a world in which everyone has the best possible health and healthcare'.

We are pleased to show a continuing improvement of our financial position in 2022. This year we have focused on harnessing the opportunities offered by The Spine (our RCP home in Liverpool), while mitigating increasing cost pressures. The Spine continues to be the beating heart of the Liverpool Knowledge Quarter, and is hosting regular

meetings focused on innovation and improvement across the region. Both our people and our buildings continue to be recognised through national awards, with our membership magazine *Commentary* winning a key Memcom award, our meetings and events teams winning multiple national awards, and The Spine achieving a BREEAM outstanding rating. This rating measures environmental performance, assessing the use of materials, waste reduction, water and CO₂ emissions, and is an illustration of our commitment to environmental sustainability.

In a year of significant change, we continue to modernise the way we deliver our strategic priorities and the governance structures that support us. RCP staff have successfully transitioned to hybrid working, and trend data have allowed us to plan the way we support them and use our buildings more efficiently. As we reflect on the year, we are pleased with our continued progress on becoming more inclusive, with targeted implementation of the Summerskill recommendations. Continuing pressure on healthcare delivery both in the UK and across the globe poses challenges which have not been seen in our lifetime. The response of our members and fellows, our physician associates and wider physician community is inspiring and fills us with hope for the future.

Annual reports naturally lend themselves to reflection. We would like to express a profound appreciation of all that our officers, volunteers, staff and membership have achieved in 2022, alongside a renewed commitment to develop and extend the RCP's influence and impact on health and healthcare.

“ **We would like to express a profound appreciation of all that our officers, volunteers, staff and membership have achieved in 2022'**

Report of trustees

The trustees of the RCP are pleased to present their annual report for the year ended 31 December 2022. The report presents our activities, significant achievements and successes in 2022.

Message from the chair of the Board of Trustees



The three priority areas of educating, improving and influencing are at the heart of RCP activities and the focus of our engagement with our fellows, members and widespread stakeholders. This report serves as a record of the many successes and achievements delivered under those priority areas in 2022, and reflects the RCP's significant influence on the quality of healthcare.

While the external environment was one of challenge in recovering from the global pandemic and facing high levels of cost inflation, we were able to sustain our financial recovery and focus increasingly on identifying and realising new opportunities to contribute to the health and wellbeing of patients and the public, as befits an influential thought-leadership organisation. Our president Dr Sarah Clarke, supported by the vice presidents, registrar, treasurer and executive team, has continued to give strong professional leadership in addressing issues of healthcare delivery at a time of unprecedented challenge and change.

Over the year our increases in both income and expenditure were aligned with one another, so overall the RCP remains financially strong and secure. I and my fellow trustees are vigilant in seeking to ensure that the RCP employs all its available resources to meet its charitable objectives, support its fellows and members, and promote its work as effectively as possible. It continues to be my privilege to chair the board, and I am indebted to my fellow trustees for their thoughtful and careful governance of the college.

Professor David Croisdale-Appleby OBE

Our 2022–24 strategy

The RCP is both a professional membership body and a registered charity. In January 2022 we published our strategy for 2022–24, which is mindful of our responsibilities in both of these roles and was developed following consultation with our members and stakeholders. This 3-year plan sets out our three main priorities of **educating, improving and influencing**.

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 covers our main activities and achievements under the three priority areas with a section on our enablers.



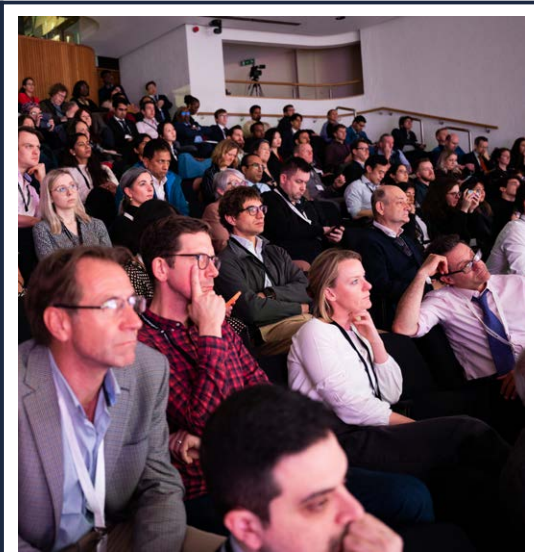
The Federation of the Royal Colleges of Physicians of the UK

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.



Educating

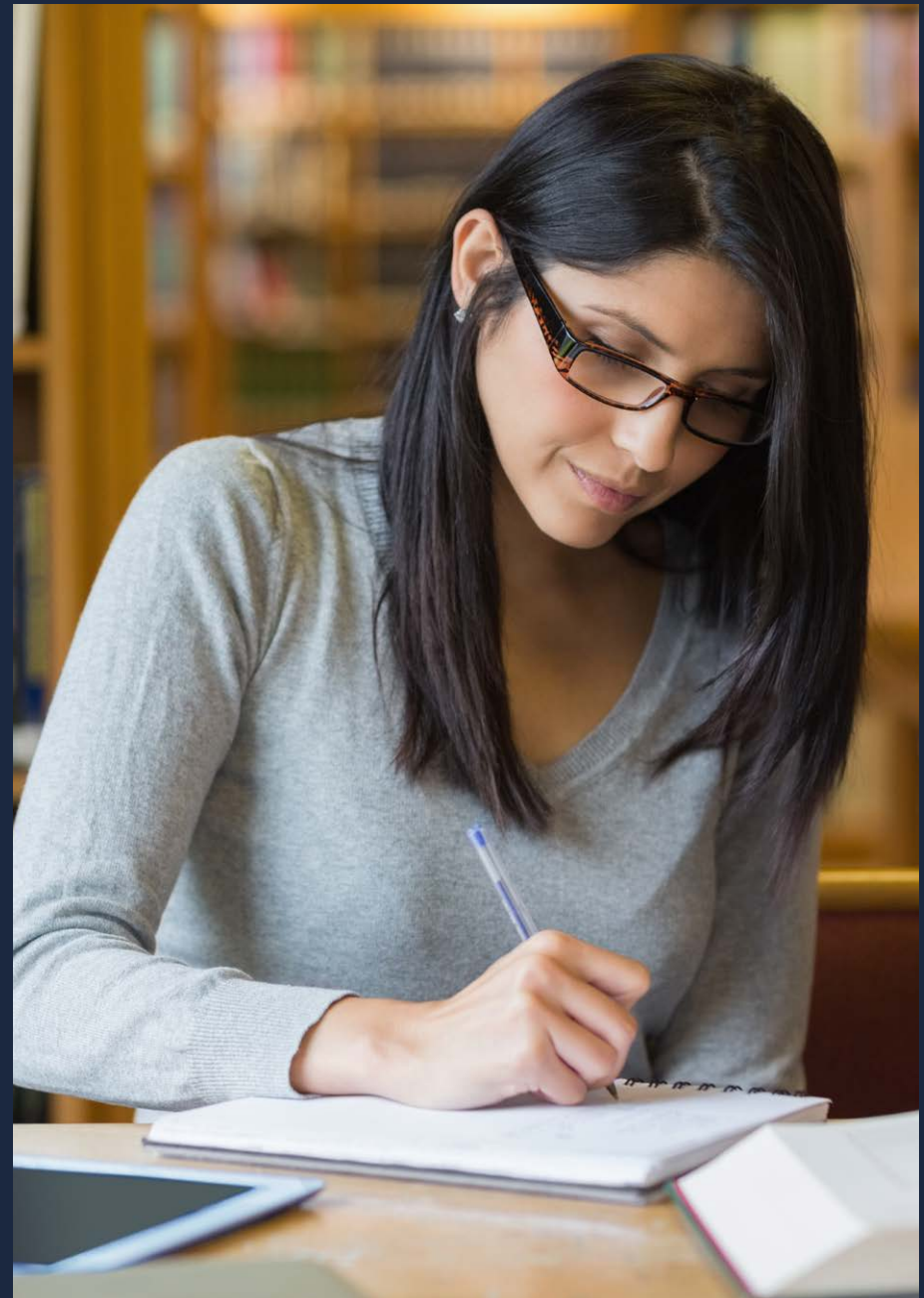
physicians and
supporting them to
fulfil their potential

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.

“

As the PCN representative on the RCP's Education Board, I am really pleased to see support for proposals to adopt lay examiners in the assessment processes'

– Frances Blunden, Patient and Carer Network member



Key educating activities in 2022

We announced the

12

winners of our unique Turner-Warwick lecturer scheme for trainees



We launched RCP Launchpad, a resource for new consultants and SAS doctors



We supported

130

international medical graduates to work and train in the NHS



3,000

doctors gained MRCP(UK) and over 900 physician associates passed their exams



We provided over

72

CPD hours of content via in-person events



1,300

physician associates joined the FPA virtual annual conference

1,400

delegates attended our first hybrid annual conference Medicine 2022



More than

10,500

delegates enjoyed our digital webinars



225,000

Our Medicine podcasts were downloaded over 225,000 times

Our activities and achievements

As pandemic restrictions were lifted, many of our education activities resumed in person, with physicians enjoying the chance to get together, network and receive peer support. We also offered a wealth of online learning opportunities, including webinars, podcasts and revision aids. For trainee doctors waiting to sit exams, we worked hard to expand the number of slots offered for PACES (Practical Assessment of Clinical Examination Skills).

Assessment and exams

PACES exams test the knowledge of trainee doctors by assessing essential skills in a clinical setting. By expanding the use of our state-of-the-art exam suite at RCP at The Spine in Liverpool and recruiting additional centres, we increased our capacity by more than 20% to offer 2,340 exam slots and clear the waiting list of UK candidates. International capacity also increased, with existing centres able to restart as pandemic restrictions eased and new centres opened.

We continued to run the physician associate (PA) National Certification and Recertification examinations. Over 900 PAs passed in 2022 and were eligible to join or remain on the Managed Voluntary Register.

Through our work with the Federation of Royal Colleges of Physicians, online delivery of the MRCP(UK) written exams in the UK has become business as usual and had positive feedback from candidates. A fourth diet was rolled out to some international centres in 2022, and specialty certificate examinations will soon increase to run on a 9-monthly schedule in six specialties.

Supporting physicians throughout their careers

We provided key CPD opportunities for clinicians through a stimulating conferences and events programme. Medicine 2022 was our first hybrid annual conference, taking place in London, Liverpool and online. More than 1,400 delegates enjoyed 30 hours of content delivered by over 100 expert speakers.

Med+, our second core college conference of the year, provided essential clinical updates and included a trainee focus. And our medical streaming service RCP Player, rated as one of our membership's most highly rated benefits, hosted over 20 webinars and led to 1,500 new member sign-ups.

We were delighted to return to hosting our popular 'Update in medicine' conferences in person for the first time since the pandemic, offering physicians the opportunity to network with peers and RCP representatives within their region. We held six in 2022, welcoming 1,200 delegates. A resounding 99% of the feedback received by attendees said they would recommend the event series to their colleagues.

Our new year-long [Six-step course for the new consultant](#) programme got off to a flying start with inaugural cohorts in London and Liverpool, which included 46 learners with 13 funded places.

Over 2,000 learners attended our virtual and face-to-face workshops and almost 300 enrolled on our Master's-level courses and longer programmes. RCPOnlineEd learning and revision products were accessed over 2,000 times and our popular Medicine podcasts were downloaded over 225,000 times.



We launched a member-only online resource for new consultants and SAS (specialty and associate specialist) doctors. [RCP Launchpad](#) brings together information, tips and guidance to support doctors to grow into excellent educators and autonomous medical practitioners. The resource had over 2,000 views during its first 4 months.

We announced the 12 physician trainee winners of our prestigious Turner-Warwick lectureships. The scheme gives trainees a unique opportunity to present to a wide range of specialists and future collaborators, building confidence in public speaking. Winners will present their lectures digitally via [RCP Player](#) and at the [2023 Update in medicine conferences](#).

We delivered a wealth of initiatives for physicians at different career stages. These included a regional poster competition for trainees, a 'Call the medical registrar' conference, and a national new consultants conference. Almost 1,300 registered delegates enjoyed the Faculty of Physician Associates (FPA) virtual annual conference in December.

In February we launched a report on the [F3 phenomenon](#). Commissioned by Health Education England (HEE), the report explores the increasingly common practice of taking a break following foundation doctor training, and has prompted significant discussion.

Federation saw an increase in the number and variety of applications for CPD approval, including live and hybrid events, and a significant growth in approved e-learning. The CPD Diary guidelines were updated to allow greater flexibility, relaxing limitations on e-learning and personal CPD credits.

Curriculum development

We continued to work with the National Institute for Health and Care Research (NIHR) and the Academy of Medical Royal Colleges (AoMRC) to develop multidisciplinary Clinician Researcher Credentials. We launched two PGCert programmes (with the universities of Exeter and Newcastle) with over 100 learners, including 75 funded by Department of Health bursary awards, and selected three universities to develop MRes extension pathways.

In collaboration with the General Medical Council (GMC), we published the [draft physician associate curriculum](#) in September, providing a standardised framework to ensure high-quality education for physician associate students.

Our Diploma in Geriatric Medicine (designed for non-geriatricians) is now open to non-medical advanced clinical practitioners.

Through Federation, all the group 1 specialty and stroke medicine subspecialty curricula were approved by the GMC and implemented from August 2022. A transition period for the dual running of the previous and new curricula for applicants to the specialist register will run for the next 2 years. Following their success in general internal medicine and geriatric medicine, panel reviews are now being rolled out to other specialties.

Supporting recruitment of doctors

Our flexible portfolio training (FPT) pilot project – which addressed recruitment, retention and wellbeing challenges in medical specialties that contribute to the ‘acute take’ – has now been transferred to HEE for embedding as business as usual via their regional recruitment teams. This marked the culmination of a successful 4-year project involving clinical fellows and wider teams to design, pilot and improve this targeted innovation in training pathway. The pilot received a positive external evaluation from Newcastle University. HEE now intends to replicate this flexible model in other contexts.

Global work

We supported 130 international medical graduates applying to work and train in the NHS, and delivered 28 educational events and conferences for RCP members outside of the UK, attracting a total audience of over 6,000.

The Federation opened five new international MRCP(UK) PACES centres, launching in Jamaica and Jordan for the first time, with additional centres in India and Pakistan. Each will add an additional 90 candidate places a year to help meet demand. In addition, the network supporting trainees in Malaysia was expanded. We worked with partners to launch two new internal medicine stage 1 programmes at hospitals in Kerala, India.

Advanced talks took place with European Union of Medical Specialists Sections in Geriatric Medicine and Rheumatology with a plan to launch two new pilot examinations for European doctors from 2024.



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.

“ I used my personal experience as a patient to help develop a resource on the safe use of medicines when leaving hospital – just one of the innovative ways the RCP is working to improve healthcare that includes the patient perspective.’

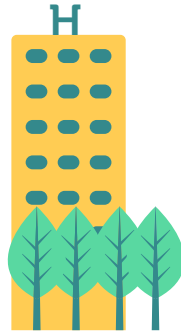
– Rebecca Harrison, RCP Patient and Carer Network member



Key improving activities in 2022

15

hospitals piloted our new Diabetes Care Accreditation Programme to improve inpatient services



Almost 100

people completed training in quality improvement for respiratory care



Our new resources included a checklist for patients on the safe use of medicines when leaving hospital



We celebrated

10 years

of the National Early Warning Score (NEWS), used throughout the NHS to ensure a rapid response to acutely deteriorating patients



Over 100

new senior trainees joined our flagship Chief Registrar Programme



Almost

400

NHS Advisory Appointments Committees were supported by RCP representatives



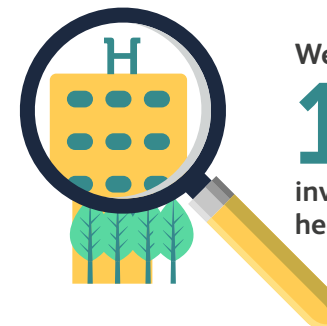
We assessed over

60

clinical services for accreditation across our five programmes



We published national audit reports, including on COPD, asthma, inpatient falls and fragility fracture care



We completed

10

invited reviews to support healthcare organisations

Our activities and achievements

We worked collaboratively with patients, specialist societies and other key partners on new resources to support clinical teams to deliver improvements in healthcare. Our ambitious audit and accreditation programmes focused on improving care for patients with measurable outcomes, and our new digital health strategy will support our members and their teams to exploit the significant role that digital tools will play in the future of healthcare.

Audit, accreditation and service review

The Healthcare Quality Improvement Partnership (HQIP) continued to commission us to deliver two national clinical audit programmes: the National Asthma and COPD Audit Programme (NACAP) and the Falls and Fragility Fracture Audit Programme (FFFAP). Work in both audits included support for local clinical teams to engage in quality improvement (QI) projects and maintain the momentum to sustain improvement.

The NACAP completed work to develop local capacity to deliver improvement. Nearly 100 individuals from 37 participating teams completed online training in QI skills and 14 people had training to become coaches and provide support to local respiratory teams. The FFFAP completed an [improvement collaborative](#) for clinical teams participating in its audits.

We continued to assess the quality of clinical services through our [accreditation programmes](#) for endoscopy, allergy, pulmonary rehabilitation, primary immunodeficiency and liver services. This included environmental assessments for services that were deferred in 2020–21 due to pandemic restrictions. Thirty new services registered with our programmes, and 44 achieved full accreditation for the first time.

We launched a pilot of the new Diabetes Care Accreditation Programme, working with 15 hospitals in the East of England and Wales to test the standards framework and process. The programme was developed through collaborative work with Diabetes UK and senior diabetes clinicians.

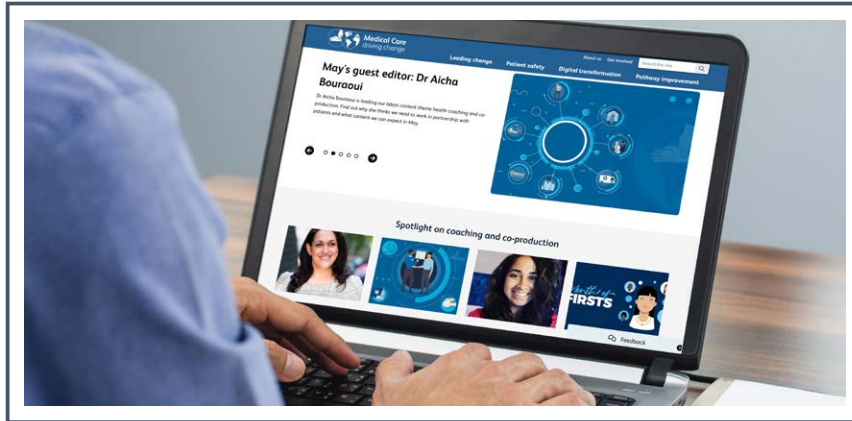
Invited reviews support healthcare organisations requiring independent external advice. We completed 10 invited reviews in 2022 and published a [thematic analysis](#) of those undertaken in 2014–21. The report offers key insights into dealing with difficult-to-manage situations in medical teams, departments and hospitals.

Enabling improvements in care

Our flagship Chief Registrar Programme is becoming increasingly popular. In 2022 it passed the one-hundred mark for the first time with over 100 senior trainee doctors joining the programme and expressions of interest from 15 new NHS organisations. Designed to support doctors with leadership development, in turn it helps NHS organisations to deliver the highest quality care for patients.

To maintain the momentum once chief registrars have completed the programme, we launched an alumni network. It provides over 400 chief registrar alumni with ongoing opportunities to connect with their peers, continue their development and share leadership and improvement skills.

We continued to work across specialties and disciplines to influence and advise on safer healthcare through the RCP's multidisciplinary Patient Safety Committee and by hosting the Medicines Safety Joint Working Group. New resources included a [checklist to help patients to use medicines safely](#) when leaving hospital. Our Patient and Carer Network co-produced these resources as part of a strong partnership.



We published a digital health strategy outlining how we will support our members and their teams to exploit the significant role that digital tools will play in the future of healthcare delivery. This addresses our key priority areas of educating, improving and influencing. We appointed a digital health clinical lead to oversee implementation of the strategy.

Reflecting the emphasis on improvement work in the NHS, our programmes saw a substantial increase in the number of clinicians undertaking projects focused on improving healthcare or the prevention of ill health. For example, over a quarter of doctors attending our inaugural [Six-step course for new consultants](#) were focused on improvement.

We worked with GIRFT (Getting it Right First Time) clinical leads and the British Geriatrics Society to develop a series of webinars on alleviating pressures and highlighting best practice in the management of frailty in an acute setting.

Guidance and resources

We worked with a new editor-in-chief and over 20 advisers, specialist societies, national bodies and senior leaders to select and build content for the [Medical Care – driving change website](#), choosing to launch at our 2023 annual conference. This newly updated online resource will support the medical workforce to deliver long-lasting improvements in healthcare and act as a hub for showcasing information and innovative practice.

New published resources included [10 updated recommendations](#) for hospitals and integrated care systems on providing better medical pathways for acute care, and a [statement on urgent and emergency care](#) promoting a consistent and coordinated approach across medical specialties to meet the needs of patients.

We produced an [acute care toolkit](#) on providing medical care for people with a learning disability who present acutely unwell to hospital. It includes top tips and guidance on adjustments, and was accompanied by an Easy Read version for people with learning disabilities.

A [special edition](#) of the *Future Healthcare Journal* described future models of care to deliver improvement. To mark the 10-year anniversary of NEWS, our NEWS2 independent advisory group guided the content of a special issue of *Clinical Medicine*.

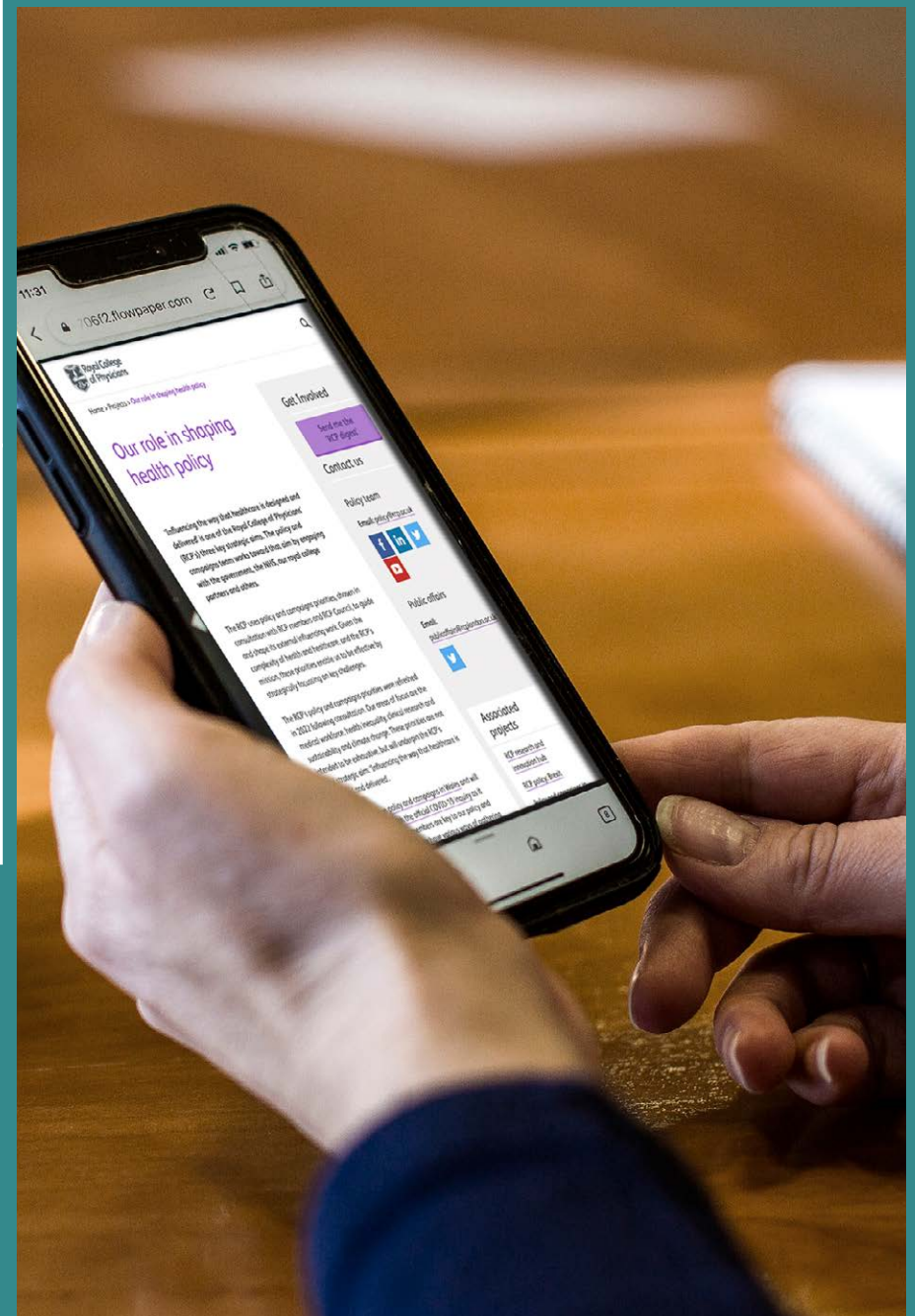
Influencing

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.

“ **Harnessing patient and carer expertise and working towards co-production with physicians in healthcare improvement is key. We collaborated on a paper exploring this, a version of which featured in *Commentary* magazine.**

– Alan Cribb, RCP Patient and Carer Network member



Key influencing activities in 2022

We made the news with over

6,000

pieces of media coverage



More than

5,200

physicians completed the census, helping us plan and lobby for change



We had over

3 million

page views on our website and gained nearly 14,000 new followers on social media



More than

230

organisations are now part of the Inequalities in Health Alliance

Commentary won 'Best in-house membership magazine' at the 2022 Memcom Awards



Our members voted for sustainability to become our fourth key policy and campaigns priority



We had

70

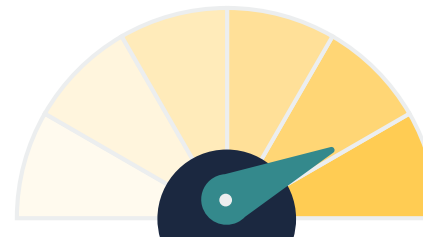
questions raised and mentions in parliament



We published over

30

policy positions, reports, consultation responses and guidance to support our members



ClinMed's impact factor more than doubled to

5.41

and article downloads increased to over 5.7 million

Our activities and achievements

We continued to promote, advocate and campaign on the issues that we know matter most to our members. We worked together with other royal colleges and medical societies to present a united voice on a range of topics, including leading a coalition of over 100 organisations on the #StrengthInNumbers campaign for independently verified assessments of the numbers of health and care staff needed to meet demand.

Our policy priorities

Following consultation with our members, we refreshed our policy and campaigns priorities, resulting in four key areas of focus: the medical workforce, health inequality, clinical research, and sustainability and climate change. These will form the foundation of our influencing agenda for the next 4 years.

We were pleased to secure a manifesto commitment from Labour to double the number of medical school places. We remain focused on our call for an expansion of medical school places and will continue to lobby government.

Following a year of campaigning and working with over 100 other organisations, we also secured a commitment to a long-term workforce plan with independently verified forecasts of workforce numbers needed over the next 5, 10 and 15 years. We secured legislative changes in the Health and Care Act 2022 so that NHS bodies in England have specific duties to facilitate research and ensure that the impact on health inequalities is part of their decision-making processes.

We led the [Inequalities in Health Alliance](#) (IHA) and the campaign for a cross-government strategy to reduce health inequality. Membership increased to over 230 organisations, and the campaign was highly commended in the 2022 Memcom Awards. Underpinning our work to positively impact the public health agenda, we continued our proactive membership of the Alcohol Health Alliance, Obesity Health Alliance and the UK Health Alliance on Climate Change, as well as leading the Tobacco Advisory Group. Our first [video documentary](#), which explores obesity through the lens of health inequalities, has had over 110,000 views and 900 comments on YouTube.

We strengthened support for our members and fellows in Wales and Northern Ireland. In Wales, we established three cross-sector working groups on health inequalities, clinical strategies and multidisciplinary workforce. And in Northern Ireland, we published Stormont election calls, held a president's roundtable and published a follow-up briefing.

Media and engagement

We continued to be a key voice for medicine and to showcase the RCP's work in the media, on our website, social media channels and in member emails. We focused on development of a new RCP website (due to launch in 2023), evolving our streaming service [RCP Player](#), and growing our social media following.

We achieved well over 6,000 appearances in the media in 2022, with strong coverage supporting our key campaigns on workforce and health inequalities. In digital engagement, we logged over 3 million page views on our website and gained nearly 14,000 new followers across our social media channels, with a particular increase on LinkedIn.

An impactful brand refresh improved the look and feel of materials across all our platforms, strengthening our digital brand and introducing greater consistency to aid recognition.

To support our internal communications, we sent weekly emails to staff with vital messages, news and information to support wellbeing, and created a new strategy for engagement. We also focused on the redevelopment of our intranet to a new user-friendly platform for launch early in 2023.

Spreading best practice

We published over 30 policy positions, reports, consultation responses and guidance to support our members. Resources on the new NHS landscape focused on helping clinicians influence integrated care systems and work more closely with social care colleagues.

Our journals *Clinical Medicine* and *Future Healthcare Journal* continued to be a key platform for spreading best practice with over 6 million articles downloaded over the course of 2022. We were delighted to see ClinMed's impact factor more than double to 5.41, a reflection of its growing profile and influence. Another highlight was our member magazine *Commentary* winning 'Best in-house membership magazine' at the Memcom Awards 2022.

Our online and in-person conferences and events provided essential clinical updates, with RCP Player hosting over 20 webinars on a diverse range of topics from medical problems in pregnancy to cholesterol, blood pressure and atrial fibrillation.

We published new guidance to support clinicians in the key areas of pharmacogenomics, and prenatal and childhood genetic testing, as well as an acute care toolkit for people with learning disabilities. New guidelines on [the diagnosis of fibromyalgia syndrome](#) are proving popular and the published materials have been downloaded over 10,000 times so far, reflecting the need for support in managing this difficult-to-diagnose condition.

Promoting medicine and the RCP

We interpreted our historical resources to promote the history of medicine and the RCP through a varied programme of exhibitions, displays, tours and talks. We shared our heritage with over 1,200 attendees at events and tours, and nearly 90 % rated them as 'very good' or 'excellent'.

Our collections were viewed by 930,000 people in person at the RCP, at other museums, and online. Ongoing conservation and catalogue improvement work continues to enhance engagement and maximise research potential.

We launched a new targeted tour aimed at encouraging secondary school pupils into careers in medicine. Following a successful pilot, a full programme is planned for roll-out in 2023. We also held our first exhibition at The Spine in Liverpool in May. [SELFLESS](#) documented the lives of health and care staff during the COVID-19 pandemic in a collection of stark and compelling photographs by photographer Jessica van der Weert.



Our enablers

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

1 Membership engagement

We welcomed over 3,750 new members and launched a more inclusive fellowship proposal process, which saw 550 doctors become FRCP.

We continued to survey our membership to understand the pressures they are facing and highlight their concerns to government. Over 4,000 members responded to our 2022 surveys, including one carried out in December to understand how doctors were being affected by [winter pressures](#).

The annual census of physicians provides a wealth of crucial data on the medical workforce. We published the [2021 census report](#) focusing on consultants, SAS doctors and higher specialty trainees, as well as a [set of toolkits](#), which now include the ability to view data at trust level to explore local trends in the workforce. Our analysis of the [2021 physician associate census](#) provided vital insights for workforce planning to help develop a picture of the physician associate profession.

Reflecting the increasing numbers of doctors wanting to work more flexibly at all stages of their careers, we recruited a [new clinical adviser](#) to support our work in this area.

Our second annual SAS week celebrated the contribution of doctors in specialty and associate specialist doctor roles, while regular CT/ACT and regional representative meetings enabled us to engage with trainees.

We held bespoke membership engagement events for members and fellows in Myanmar, Uganda, Kochi, Iraq, Egypt, Chennai, Chicago, Melbourne and Jordan, and recruited eight new international advisers.

We offered members discounted fees for our workshops and free access to our e-learning programmes, which were accessed 4,000 times in 2022.

Our library provided a wide range of online resources, which were accessed over 32,000 times and were particularly popular with our international fellows. The 'Read' app allows members to keep up-to-date with the latest research in their specialty and was used to read over 3,000 papers and 7,000 abstracts.

We facilitated the free use of rooms at RCP at The Spine to support local training programme directors delivering education and training to specialty trainees.



2 Working with patients

We involved patients in the development of all our programmes to ensure we are gaining the vital input of ‘experts by experience’.

Our Patient and Carer Network (PCN) contributed invaluable expertise to a large number of RCP projects throughout 2022, with representation on over 20 RCP boards and committees. Resources and programmes involving the PCN included a medicines safety checklist, FFFAP Patient and Carer Panel, our six-step course for new consultants, Med+ conference, Chief Registrar Programme and *Future Healthcare Journal* editorial board. External stakeholder involvement included contributing essential patient expertise to the Health and Social Care Committee for the evaluation of digitalisation in NHS England

We involved lay reviewers on the governance group for invited reviews as well as improving the patient voice in the reviews undertaken throughout the year.

3 Diversity and inclusion

Equality and diversity were a driving force in our policy work, particularly on health inequalities and supporting the widening of participation in medicine as a career, so that the medical workforce better reflects the communities it serves.

We implemented a new fellowship proposal process to make it fairer and more transparent, as well as improve membership engagement through fellowship panels in the UK and around the world.

New visual displays, policies for diversity in comms and events, and a rich diversity of voices featured in our member magazine *Commentary* exemplified our commitment to diversity and inclusion.

We worked to increase diversity in our clinical teaching faculty and are including diversity and inclusion in all of our educational programmes and in examiner training for the physician associate national exams.

During programme planning for conferences, we worked to ensure the speakers and topics were diverse and inclusive to reflect our membership.

Internationally, we launched a pilot of our Global Women Leaders Programme in Pakistan, and supported the growth of the RCP Iraq Network.

Through Federation we continued to explore the use of diversity and inclusion data to help support training recovery. A new data sharing agreement with Health Education England will allow access to physician recruitment data to help facilitate this work.



4 Governance and stakeholder engagement

To increase engagement and provide networking opportunities we returned to in-person meetings for some key Council and committee meetings, and held our AGM and College Day as hybrid events.

We embedded our new fellowship proposal process in 2022, which involves and engages fellows during the candidate review process and panel meetings, which were held both globally and within the UK.

To support staff engagement, we launched a new internal communications strategy and redeveloped our intranet, transferring to a new and improved platform, which supports staff to connect and collaborate.

We were delighted to return to hosting in-person membership and fellowship ceremonies, giving physicians the opportunity to celebrate their significant achievement in style. To increase capacity, we held 14 ceremonies during the year, including one in Cardiff, which attracted local, national and international attendees.

To provide greater transparency, improved governance and reduced reputational risk, we made improvements to the RCP and FPA Code of Conduct processes to help manage more complex cases.

We recruited four new censors, increasing the number of senior college members able to support key projects, and appointed a new Linacre fellow to lead work with our college tutors. We held over 60 stakeholder meetings with tutors, regional representatives and local networks, and our president delivered a programme of visits to trusts, engaging with staff in hospitals and hearing their concerns.



At the RCP at Regent's Park, we upgraded our IT servers and made improvements to the wifi to support the latest security standards and provide reliable, high-speed connectivity.

We decommissioned old IT equipment, reducing operational risk and delivering estimated electricity savings of over £10k per year.

To improve our IT security, we introduced multi-factor authentication across the RCP.

5 Sustainability

The Spine, our new building in Liverpool, was awarded BREEAM Excellent certification in 2022. This internationally recognised badge of assurance recognises the quality, performance and sustainable credentials of the building.

We completed the first phase of a complex electrical infrastructure project in our RCP at Regent's Park building, which dates from the 1960s. This will mitigate any safety risks and provide assurances to our building insurers. The £1.2m project was completed on budget and to deadline.

With most staff now working in a hybrid way post pandemic, we reviewed the use of office space and drew up plans to reduce our utility and maintenance costs.

We significantly reduced our dependence on paper, moving to a completely digital election process for our president and senior officer roles. Similarly, our conference and event programmes, speaker biographies and feedback surveys are now all online-only with QR codes offering quick access for delegates.

To reduce the impact of travel, we continued to run the majority of our board and committee meetings virtually. Many international activities are now also delivered virtually by our global office.

Our JAG accreditation scheme introduced an aspirational standard in support of green endoscopy.

We continued to build opportunities for commercial events at Spaces at The Spine and RCP London Events to ensure a robust income stream for both venues. Spaces at The Spine won 'gold' for venue sustainability at the 2022 Conference and Events Awards.



Looking ahead

In 2023 we plan to carry out the following activities, grouped under our three priority areas and enablers:

Educating

- Deliver year-long leadership and mentoring programmes for experienced clinicians as commissioned by the British Association of Sport and Exercise Medicine, UK Kidney Association and GIRFT Stroke Programme.
- Launch online modules on the NIHR Learn platform to support clinicians to carry out clinical research.
- Launch a training programme on meeting the medical needs of adults with a learning disability, and work-based credentials for registered practitioners working in gender identity healthcare for adults.
- Increase the training sites offering the credential in obstetric medicine.
- Continue to develop RCP Launchpad with new content and videos for new consultants and SAS doctors.
- Deliver a varied and stimulating conference programme, including Medicine 2023, Med+, regional updates in medicine and a 'Call the med reg' conference.
- Continue to support regulation of physician associates, deliver an in-person FPA conference and launch an FPA e-portfolio to support CPD.
- Deliver the MRCP(UK) written exams online in international centres, and launch PACES23, the new format PACES exam, across all our UK centres.

- For Federation, transition fully to the new curricula, improve trainer training in high-level outcomes and review academic pathways in group 1 specialties.
- Apply IT improvements to the CPD diary.

Improving

- Further develop the Chief Registrar Programme and its alumni network to build physician improvement leadership potential in the NHS.
- Deliver national clinical audit programmes to support measurable improvements in care, including transitioning NACAP to the new National Respiratory Audit Programme and delivering the FFFAP.
- Link physician teams to innovative practice and each other by developing the content, functionality and reach of the Medical Care – driving change website.
- Enable consistent improvements in care standards for people with diabetes in hospital through our new diabetes accreditation programme.
- Work with key partners and our Patient Safety Committee to develop patient safety skills and practice in medical teams.
- Support physicians to deliver improvements in urgent and elective care through joint guidance across medical specialties, in partnership with GIRFT.
- Publish updated principles and practice for patient-centred outpatient care to support service planning and delivery.



- > Understand the digital healthcare requirements for our members and their teams, and connect those with an interest in digital transformation.
- > Carry out invited reviews and deliver an event for medical leaders on resolving complex challenges in clinical medicine.
- > Explore the needs and experiences of physician improvers to inform how we support doctors to carry out improvement.

Influencing

- > Make sure our work is informed by the latest insight by developing and delivering the census on behalf of the three royal colleges of physicians of the UK and using all our channels to gather additional insight from RCP members.
- > Continue to be a leading voice on NHS workforce planning, making sure that the broad agreement on what is needed is high on the agenda of political parties in the lead up to the next general election.

- > Maintain our position as a thought leader on the future of the medical workforce, education and training by publishing a paper and facilitating discussion that will inform our strategy.
- > Provide thought leadership to the challenges in outpatient care, through clinical summits for key stakeholders to inform RCP and NHS strategies.
- > Make sure that ambitions for the regulation of medical associate professions (MAPs) and its implementation is informed by member opinion, improves their working lives and enhances patient safety.
- > Continue to communicate the medical response to growing health inequality by convening the Inequalities in Health Alliance, leading the campaign for a cross-government strategy to reduce health inequalities and developing resources on health inequalities for clinicians.
- > Establish the RCP's policy calls on sustainability and climate change in a new 'RCP view' report and develop an action plan for increasing the sustainability of medicine.
- > Develop the RCP's traditional media profile to promote the physician voice, protect and enhance our reputation and extend our influence as thought leaders ahead of a general election.
- > Launch our new website and continue to develop our digital communications approach to extend our reach and enhance our impact.
- > Continue our work to transition the RCP journals to a new publishing partner, with the aim of widening their reach, increasing their impact and sustainability.

Our enablers

1. Membership engagement

- > Develop a 'one RCP' events programme to grow membership and engagement through proactive cross-college collaboration.
- > Continue to develop RCP Player as an engagement and educational tool by increasing the audience by 10%.
- > Engage with the membership and public via an active programme of exhibitions, events and tours, including rolling out a new schools programme.



- > Carry out data validation and benchmarking to improve our membership data.
- > Survey members and fellows on digital health to understand their needs and help shape our plans across our strategic priorities.
- > Engage with trainees via Turner-Warwick lectureships, poster competitions, a careers showcase and call the med reg conference.
- > Revitalise the MTI scheme to meet the needs of the NHS today.

2. Working with patients

- > Work with our Patient and Carer Network to enhance the impact of the patient voice in the RCP's work and increase the diversity of its members.

3. Diversity and inclusion

- > Publish an update on our progress implementing recommendations from Ben Summerskill's 2020 report into diversity and inclusion at the RCP.
- > Improve access to collections via development of finding aids, research services and digital content; continuing to engage with social and societal movements tackling institutional bias and prejudice.
- > Increase the number of women we support to develop towards leadership roles, in the UK and internationally.
- > Develop Federation's equality, diversity and inclusion strategy and begin to implement the action plan to eliminate unfairness in medical education, training and assessment.

4. Governance and stakeholder engagement

- Continue to call for an expansion of the medical and wider NHS workforce, working with stakeholders to influence the long-term workforce plan.
- Develop and strengthen our relationships with parliamentarians and advisers ahead of a likely 2024 general election, to maintain the RCP's reputation as a credible health policy stakeholder.
- Launch new websites for the RCP and Federation, as well as self-service member portals.
- Generate income through offering our editorial/design/print services to external stakeholders, and from the RCP shop.
- Reinvigorate staff engagement and improve our internal systems for staff, including our intranet, other internal channels and image library.
- Support the RCP to embody best practice by managing GDPR and information governance compliance activities.
- Introduce accreditation and a formal policy for becoming an external provider of CPD for Federation.
- Implement changes to meet the International Academy of CPD Accreditation standards.

5. Sustainability

- Continue to work towards achieving WELL Platinum status for RCP at The Spine, an international building standard on its impact on health and wellbeing.
- Carry out phase two of our electrical infrastructure project and begin plant improvements and essential repairs to the RCP at Regent's Park building.
- Conduct a tender for facilities management support across our buildings in London and Liverpool from 2024.
- Implement IT infrastructure and cyber security enhancements, including new firewalls, upgraded remote access and improved power outage resilience.
- Continue to develop income-based opportunities for commercial events in our buildings in London and Liverpool.
- Develop potential for income generation for the RCP's collections, commercial talks and tours, including sponsorship.

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
- 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 current 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 seven 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.
- > **Equality diversity and inclusion** – 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 with two reports 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* – five)
- > members nominated from Council (three)
- > lay members appointed by the Board of Trustees (up to six)
- > a lay chair.

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, clinical vice president, academic vice president, vice president for education and training, treasurer and registrar) all have trustee responsibilities during their tenure. The president, treasurer and registrar are trustees of the charity for the entirety of their tenure, while vice presidents are trustees on a rotational basis. 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.

Finance and Resources Board

In 2022 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 three committees with specific responsibility to the Finance and Resources Board. They are:

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

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 of Trustees 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 and 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 and principal risks

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 operations 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 2022 and into 2023 are:

- > geopolitical events driving up cost inflation for staff, goods and services increasing pressure on operating budgets, value of investments and rising interest rates
- > governance structure concerns regarding the Federation and its activities, which could impact on the sustainability of relationships with key partners as well as sustainability of income

- > increasing cost of running an ageing Grade I estate in London and the impact increased costs have on the ability to achieve core charitable purposes and strategic objectives
- > redundant areas of estate due to new models of flexible working and online activities and the impact this has on the ability to realise the full potential of the estate
- > risk from cyber threats as a result of credential compromise, data leaks or network compromise.

Remedial actions to mitigate or remove these risk areas focus on:

- > robust budgetary control systems and redevelopment of financial strategy driven by in-depth executive review of college activities
- > continuing to collaborate with partners to deliver a programme of improvement to Federation activities, processes and governance to ensure efficient and effective ways of working, which mitigate operational risks to Federation and ensure fitness for purpose collaboration for all partners
- > exploration of estate capacity versus future estate needs to inform negotiations with the Crown Estate regarding lease allocations

- > a newly formed Estates Committee to drive development of a modern and agile strategy to both realise the potential of the estate while ensuring core charitable purposes and strategic objectives are met
- > development of an IT strategy which includes the continued development of digital capabilities to protect RCP digital data assets
- > corporate exercises to test the resilience of cyber security across the organisation through vulnerability scans and penetration testing and continued training across all users.



Officers and key staff of the RCP

The officers, trustees and councillors listed below served during 2022. Current lists can be found via www.rcp.ac.uk/about-us/who-we-are/our-governance

Visitor

Her Majesty The Queen (until her death in September 2022)
His Majesty The King (from September 2022)

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

Dr Sarah Clarke (appointed September 2022)
Sir Andrew Goddard (demitted September 2022)

Registrar

Professor Cathryn Edwards OBE

Treasurer

Professor Simon Bowman (appointed April 2022)
Professor Chuka Nwokolo CBE (demitted April 2022)

Clinical vice president

Dr John Dean (appointed August 2022)
Dr Sarah Clarke (demitted July 2022)

Academic vice president

Professor Ramesh Arasaradnam OBE

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

Linacre fellow

Dr Shruthi Konda (appointed October 2022)
Dr Joanna Szram (demitted October 2022)

Harveian librarian

Dr Louella Vaughan

Patient involvement officer

Dr Amy Proffitt

Censors

Dr Tun Aung
Dr Jyoti Baharani (demitted July 2022)
Professor Rudolf Bilous (demitted July 2022)
Dr Harriet Gordon
Dr Manish Gautam
Dr Ruth Law (appointed July 2022)
Dr Rajaratnam Mathialagan (appointed July 2022)
Dr Rasha Mukhtar (demitted July 2022)
Dr Catherine Sargent
Professor Tom Solomon (appointed July 2022)
Dr Jo Sykes (appointed July 2022)

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

Director, invited service reviews

Dr Adam De Belder

Clinical leads

Improvement clinical director

Dr Andrew Rochford (appointed October 2022)

Dr John Dean (demitted August 2022)

Clinical director for digital health

Dr Wajid Hussain (demitted November 2022 –
role not directly replaced)

Digital health clinical lead

Dr Anne Kinderlerer (appointed November 2022)

Editor-in-chief, Clinical Medicine and Commentary

Professor Anton Emmanuel

Editor – Future Healthcare Journal

Dr Kevin Fox

Specialty and associate specialist (SAS) lead

Dr James Read (appointed March 2022)

Dr Waleed Arshad (demitted March 2022)

Examiners

RCP chief examiner

Dr Emma Vaux OBE (demitted August 2022 – role not directly replaced)

Clinical lead for assessment

Dr Celia Bielawski (appointed August 2022)

Supported by 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

Professor Uli Schwab

Senior examiner: Diploma in Geriatric Medicine

Professor Michael Vassallo

Other senior roles

Deputy registrars

Dr Alastair Gilmore

Deputy medical director, invited service reviews

Dr Jonathan Bennett

Clinical adviser for flexible working

Dr Rifca Le Dieu

Garden fellow

Professor John Newton (appointed March 2022)

Dr Henry Oakeley (demitted February 2022)

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

Deputy international medical director, training and development

Dr Alastair Miller (appointed December 2022)

International medical director, assessment

Dr Tanzeem Raza (appointed December 2022)

Dr Donald Farquhar (demitted December 2022)

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 David Marshall (appointed December 2022)

Dr Alastair Miller (demitted December 2022)

Board of Trustees

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

Ex-officio members (senior officers)

Dr Sarah Clarke

Sir Andrew Goddard (demitted September 2022)

Professor Cathryn Edwards OBE

Professor Simon Bowman

Professor Ramesh Arasaradnam OBE

Professor Áine Burns (demitted July 2023)

Dr John Dean (appointed July 2023)

Members nominated from Council

Professor Namita Kumar (demitted June 2022)

Dr Iain Lawrie (demitted December 2022)

Dr Joanna Szram

Dr James Read (appointed March 2023)

Dr Ananthakrishnan Raghuram (appointed March 2023)

Lay members

Professor Charles Baden-Fuller

Sarah Barzycki (demitted June 2022)

Andrew Chandler (demitted December 2022)

Professor David Croisdale-Appleby OBE

Graham Meek

Anne-Marie Millar (appointed February 2023)

Katie Smith (appointed February 2023)

Professor John Bateson (appointed June 2023)

Dr Fiona Pathiraja (appointed June 2023)

Dominic Whittle (appointed June 2023)

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

Dr Sarah Clarke (appointed September 2022)
Sir Andrew Goddard
(demitted September 2022)

Senior censor and education and training vice president

Professor Áine Burns

Clinical vice president

Dr John Dean (appointed August 2022)
Dr Sarah Clarke (demitted July 2022)

Academic vice president

Professor Ramesh Arasaradnam OBE

Treasurer

Professor Simon Bowman

Registrar

Professor Cathryn Edwards OBE

Vice president for Wales

Dr Olwen Williams OBE

Vice president – Global

Dr Mumtaz Patel

Representative of the Faculty of Occupational Medicine

Professor Steven Nimmo

Representative of the Faculty of Pharmaceutical Medicine

Dr Flic Gabbay

Representative of the Faculty of Physician Associates

Jamie Saunders (appointed August 2022)
Kate Straughton (demitted July 2022)

Representative of the Faculty of Public Health

Professor Kevin Fenton CBE
(appointed July 2022)
Professor Maggie Rae (demitted June 2022)

Representative of the Faculty of Forensic and Legal Medicine

Professor Paul Marks

Representative of the Faculty of Intensive Care Medicine

Dr Daniele Bryden (appointed October 2022)
Dr Alison Pittard (demitted October 2022)

Representative of the Royal College of Emergency Medicine

Dr Adrian Boyle (appointed October 2022)
Dr Katherine Henderson MBE
(demitted October 2022)

Representatives of the regional advisers

Dr Anita Banerjee
Dr Philip Johnston
Dr Vivek Goel (appointed November 2022)

Dr Mick Kumwenda (demitted October 2022)
Dr Christopher Roseveare

Elected councillors

Dr Tun Aung
Dr Angshu Bhowmik
Professor Rob George (demitted July 2022)
Dr Helena Gleeson
Dr Toby Hillman (appointed August 2022)
Dr Khin Swe Myint (appointed August 2022)
Dr Ruth Law (demitted July 2022)
Dr Catherine Mummery
Dr Ananthakrishnan Raghuram MBE
Professor Tom Solomon CBE (demitted July 2022)
Dr Mark Temple
Dr Jenny Vaughan OBE (demitted July 2022)
Dr Ajay Verma (appointed August 2022)
Dr Hilary Williams (appointed August 2022)
Dr Louella Vaughan
Dr Robert Wright

Representatives of the censors

Professor Rudolf Bilous (demitted July 2022)
Dr Rasha Mukhtar (demitted July 2022)
Dr Manish Gautam (appointed August 2022)
Dr Catherine Sargent (appointed August 2022)

Chair of the Patient and Carer Network

Eddie Kinsella

Representatives of the New Consultants Committee

Dr Katie Honney
Dr Kailash Krishnan

Representatives of the Trainees Committee

Dr Melanie Nana (appointed July 2022)
Dr Megan Rutter (appointed July 2022)
Dr Michael Fitzpatrick (demitted July 2022)
Dr Rachel Jones (demitted July 2022)

Representative of the Staff and Associate Specialists Steering Group

Dr James Read

Representatives of the specialist societies

Dr Tanya Bleiker (demitted June 2022)
Dr Jennifer Burns (demitted November 2022)
Dr Mohammed Chowdhury (appointed July 2022)
Dr Tim Cooksley
Dr Sarah Cox (appointed November 2022)
Professor Adam Gordon
(appointed November 2022)
Professor John Greenwood
Dr Robert Gregory (demitted January 2022)
Dr Alastair McKinlay (demitted July 2022)
Dr Sanjeev Patel
Dr Amy Proffitt (demitted November 2022)
Professor Andrew Veitch (appointed July 2022)
Dr Paul Walker
Professor Thomas Warner

Trustee councillors (in attendance)

Professor Namita Kumar (demitted July 2022)
Dr Iain Lawrie
Dr Joanna Szram

Finance and Resources Board

Professor Simon Bowman, treasurer
(from April 2022)
Professor Charles Baden-Fuller
Dr Kaushik Chaudhuri
Dr Sarah Clarke, president (from Sept 2022)
Steve Clarke
Professor David Croisdale-Appleby OBE
Professor Cathryn Edwards OBE, registrar
Professor Rob George
Sir Andrew Goddard, president (until Sept 2022)
Dr Wajid Hussain
Professor Chuka Nwokolo CBE, treasurer
(until April 2022)
Dr Mark Temple

Audit and Risk Committee

Dr Angshu Bhowmik
Professor Simon Bowman
Andrew Chandler
Professor David Croisdale-Appleby
Tim Golbourn
Graham Meek
Ray Sadler

Investment Advisory Panel

Peter Allen
Martin Been
Professor Simon Bowman, treasurer
(from April 2022)
Consuelo Brooke
James Hordern
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

Executive leadership team

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

Chief executive officer

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, Communications, Policy and Research

Claire Burroughs

Chief operating officer – Federation

Yasmin Becker (until 31 March 2023)

Christopher Ward-McQuaid
(interim, from April 2023)

Executive director of finance

Tim Golbourn (interim, until November 2022)

Catherine Powell (from November 2022)

Director of HR

Linda Asamoah (until June 2022)

Chiraag Panchal (interim, from June 2022;
appointed as **executive director,
People and Culture** from March 2023)



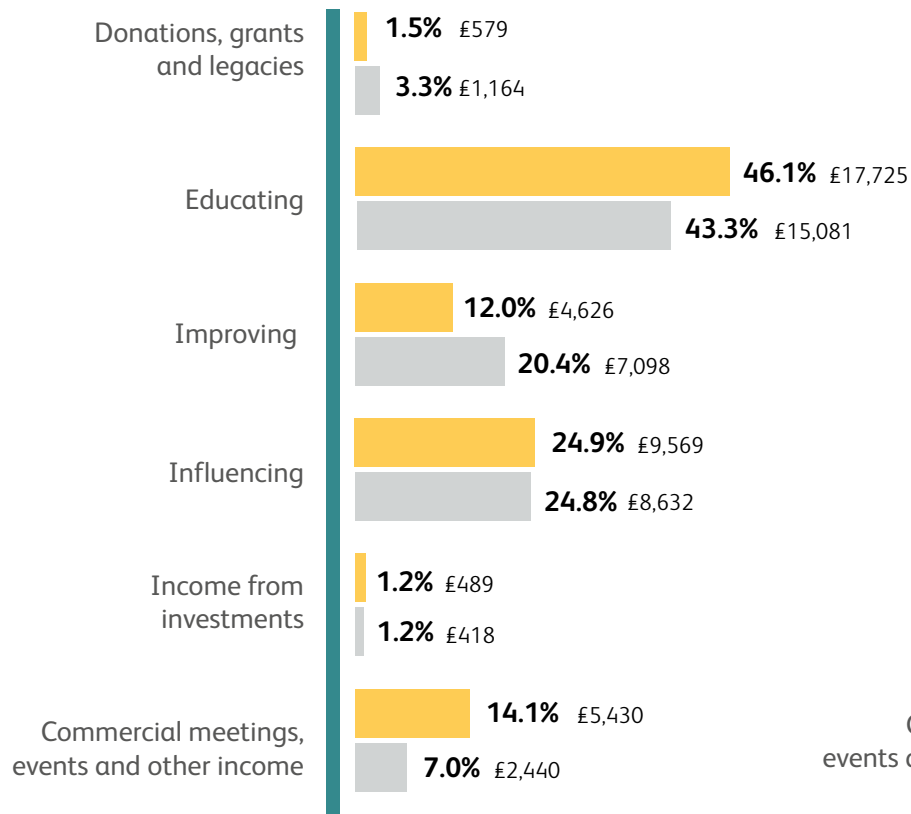
Summary of our income and expenditure

Income

Total in 2022: £38.4 million

Total in 2021: £34.8 million

Breakdown of income in £000s

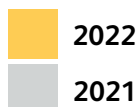
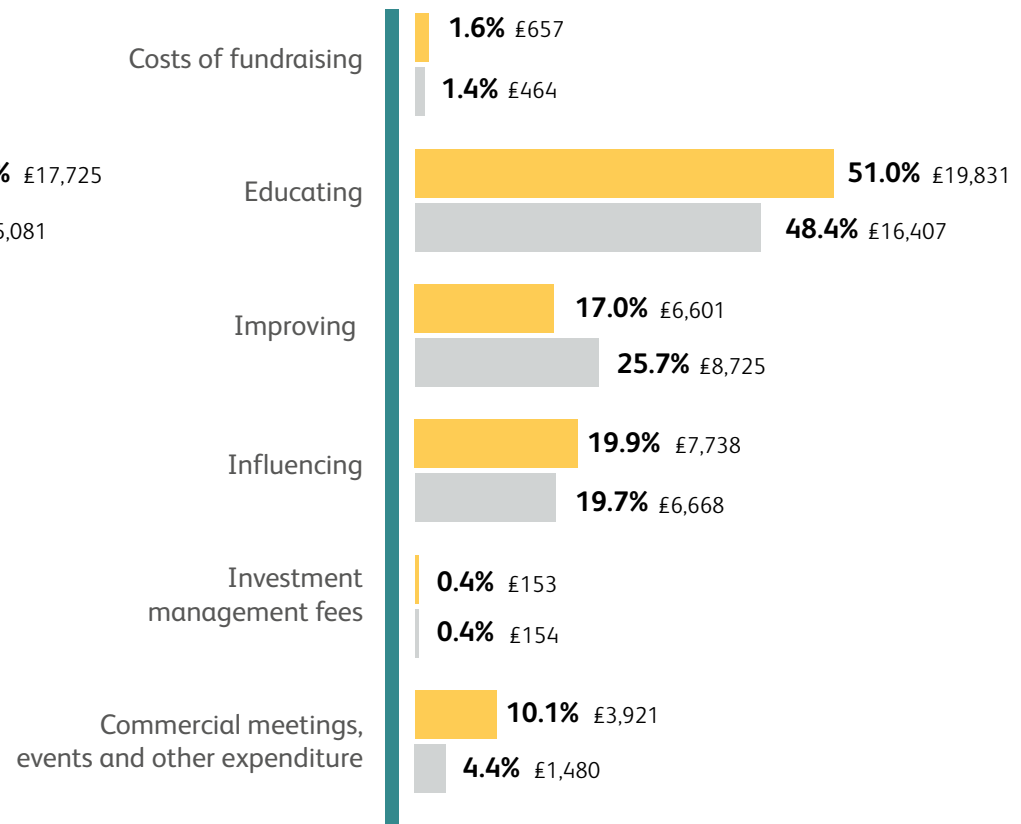


Expenditure

Total in 2022: £38.9 million

Total in 2021: £33.9 million

Breakdown of expenditure in £000s



Notes

2021 figures have been restated to align with our strategic priorities of educating, improving and influencing. **Costs of fundraising** include overheads (see Note 11 on p63). **Educating** includes examinations, conferences, education and training, library and museum services. **Improving** includes audit and accreditation programmes, invited reviews and quality improvement activities. **Influencing** includes membership activities, publishing, policy and campaigns.

Our financial policies

Fundraising

The RCP is grateful for the exceptional level of support that we have received during 2022 from our 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 2022, we secured a total of £1.5 million in new gifts, pledges, and sponsorships (including gifts to restricted and unrestricted funds). Projects that were supported during the year included:

- > The Spine – a state-of-the-art facility in Liverpool for the education and examination of physicians that opened in 2021 and is now pioneering advances in medical education.
- > Global Women Leaders – a training programme to empower women in healthcare globally to advance into healthcare leadership roles.
- > 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.
- > 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.

In May we unveiled the first 60 unique Voronoi polygons on the O'Donoghue Wall at The Spine, named in memory of our late registrar Professor Donal O'Donoghue. In July we held the opening ceremony for the Dr Sarfraz Qureshi room at The Spine, in recognition of Dr Qureshi's generous donation towards the cost of the building.

In September the RCP COVID Memorial to members and fellows who died during the pandemic was unveiled by Sir Chris Whitty in the RCP Medicinal Garden. The memorial was entirely funded by grants and donations from the Jerwood Foundation and two of our fellows.

Fundraising programme

The RCP's fundraising programme is carried out by a dedicated 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 multiple 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 or sponsorships that conflict with our values. All our fundraisers receive mandatory 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 2022 (2021: 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 and the executive 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 2022, 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 overreliance 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 2022 total reserves of RCP were £46.9 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 19 and 20 to the financial statements. At 31 December 2022 total restricted funds were £2.8 million and endowment funds were £11.7 million.

The RCP also holds reserves in the form of designated funds that are earmarked for particular purposes by the trustees. At 31 December 2022 the balance on the designated funds was £19.6 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 2022 were £12.8 million. Free reserves net of pension scheme deficit represent 4 months of the unrestricted operational expenditure, which is within the target free reserves level of between 3 and 6 months (£8.9m–£17.8m). While the financial impact of inflationary conditions continues 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 profit for the RCP's wholly-owned trading subsidiary, The RCP Regent's Park Limited, for the year ended 31 December 2022 was £948k. 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 22 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 has been undertaken including:

- > a review of budgets and 2023 management accounts;
- > 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.

Income levels for the RCP were significantly impacted in 2020 through to 2021 by the COVID-19 pandemic. Income has recovered in 2022, reaching 90% of pre pandemic levels.

For the period to September 2024 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 can drawdown against funds held within the investment portfolio if required. The Board have agreed a financial strategy for the period 2023 to 2026 that demonstrates that the RCP has adequate levels of cash and reserves going forward.

External auditor

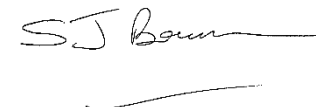
Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board

The annual report has been approved by the Board of Trustees on 31 August 2023 and signed on its behalf by:



Professor David Croisdale-Appleby
Chair of Board of Trustees



Professor Simon Bowman
Treasurer

Financial review

During 2022 we started implementing 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 activities and of our engagement with members and stakeholders. The new strategy enables us to be clearer about these in everything that we do. The financial statements, as presented on pages 52 to 80, have been reformatted to report under the three priority areas of educating, improving and influencing for the year ending 31 December 2022, aligned to the 2022–24 strategy. The comparative 2021 figures have also been restated to provide a meaningful prior year comparison.

In 2022 the RCP continued to recover from the challenges arising from the COVID-19 pandemic. Recovery in our income position has occurred during 2022, with unrestricted income increasing by 23%. Although the year has seen unprecedented inflationary challenges, together with the full year impact of The Spine running costs, unrestricted expenditure has increased in line with income. Restricted expenditure has exceeded restricted income in 2022, as brought-forward restricted funds have been used on certain programmes. Overall, this has resulted in a total operating deficit of £483k (2021: surplus of £935k).

Market conditions have been very challenging during 2022, with compounding market decline as the year progressed. This resulted in an overall unrealised loss on investments of £3,582k (2021: gain of £3,962k). This, coupled with an actuarial loss on the (closed) defined benefit pension fund of £1,005k (2021: gain of £2,937k), resulted in an overall deficit net funds movement of £5,070k (2021: gain of £7,834k).

Income and expenditure

The RCP's consolidated total income in 2022 was £38.4 million (2021: £34.8 million), representing a steady recovery from the COVID-19 crisis. During the year a substantial national audit contract worth £2.6 million

came to an end; once this is taken into account, income levels have risen to more than 95% of pre-pandemic levels.

While unrestricted income increased by 23% in 2022, restricted income recorded a 56% reduction due to the cessation of a national audit contract during the year, as reported above.

| | 2022 (£000) | | | | 2021 (£000) |
|--|----------------|------------|-----------|---------|----------------|
| | Unrestricted | Restricted | Endowment | Total | Total |
| Total income | 35,784 | 2,449 | 185 | 38,418 | 34,833 |
| Total expenditure | 35,677 | 3,146 | 78 | 38,901 | 33,898 |
| Net operating result | 107 | (697) | 107 | (483) | 935 |
| Net (losses)/ gains on investment assets | (2,236) | (69) | (1,277) | (3,582) | 3,962 |
| Other net gains/(losses) | (1,005) | - | - | (1,005) | 2,937 |
| Transfers | (11) | 46 | (35) | - | - |
| Net movement in funds for the year | (3,145) | (720) | (1,205) | (5,070) | 7,834 |

With activity levels bouncing back to pre-pandemic levels, the RCP has faced the pressure of increasing expenditure with record levels of inflation hitting energy, catering and maintenance costs. The executive team has worked hard to mitigate these inflationary pressures by limiting investments in the London estate and IT systems development to essential levels, and by cutting non-essential costs while preserving our core capabilities, key NHS supporting activities and support for members tackling the pandemic. As a result, unrestricted expenditure has risen in line with income in 2022.

Construction and fit-out of The Spine was completed in May 2021 with 2022 being the first full year of operation. 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 has been certified to the Platinum WELL Standard, making it one of the healthiest buildings in the UK.

Investments

As at 31 December 2022 our investments, including cash deposits, stood at £32.8 million. World markets had a challenging year in 2022, reacting to high inflation, Russia's invasion of Ukraine, increasing oil and gas prices and, as a consequence, increasing interest rates.

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 2022, the defined benefit pension scheme, which has been closed to new members since 2002 and to further accrual from 2008, moved into a surplus position of £637k (2021: deficit of £386k) on an FRS 102 basis. This significant improvement has been caused by a combination of market movements, which has led to a lower value being placed on the liabilities, and an increase in employer contributions over the period.

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. The next triennial valuation is due on 1 January 2024.

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

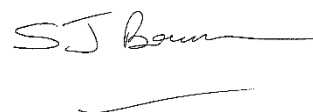
At the end of 2022 the RCP held net assets of £46.8 million of which £32.8 million is the market value of our investment portfolio and £12.2 million is in cash. Endowment and restricted funds comprise £14.5 million, therefore unrestricted funds comprise £32.4 million, of which free reserves (net of the designated funds but gross of the long-term defined benefit pension deficit) have reduced to £12.8 million (2021: £16 million).

During 2022, a revolving credit facility held with Santander to fund The Spine development was converted to a term loan. 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 economic conditions facing the RCP remain challenging. The focus will be on growing our membership and keeping expenditure down while continuing to carry out key activities as set out in our strategy.



Professor Simon Bowman
Treasurer

Independent auditor's report to the trustees of the RCP

Opinion

We have audited the financial statements of Royal College of Physicians for the year ended 31 December 2022 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of the group's income and expenditure, for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Charities 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 of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our

audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of 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 (Accounts and Reports) Regulations 2008 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 and proper 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 33, 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 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 Acts and relevant regulations made or having effect thereunder.

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

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 charity and 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 the Charities SORP (FRS102) 2019. 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 charities and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations 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, the defined benefit pension liability, 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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

Crowe U.K. LLP
Statutory Auditor
London

Date: 4th September 2023

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 2022

| | Notes | Unrestricted funds | Restricted funds | Endowment funds | Total funds 31 Dec 22 | Total funds 31 Dec 21 |
|-------------------------------------|-------|--------------------|------------------|-----------------|-----------------------|-----------------------|
| | | £000 | £000 | £000 | £000 | £000 |
| Income from: | | | | | | |
| Donations, grants and legacies | 2 | 327 | 252 | - | 579 | 1,164 |
| Charitable activities | | | | | | |
| Educating | 3 | 17,495 | 230 | - | 17,725 | 15,081 |
| Improving | 4 | 2,764 | 1,862 | - | 4,626 | 7,098 |
| Influencing | 5 | 9,474 | 95 | - | 9,569 | 8,632 |
| Activities to generate funds | | | | | | |
| Investment income | 6 | 294 | 10 | 185 | 489 | 418 |
| Trading activities | 22 | 4,661 | - | - | 4,661 | 1,448 |
| COVID-19 Job Retention Scheme | | - | - | - | - | 768 |
| Other income | 7 | 769 | - | - | 769 | 224 |
| Total income | | 35,784 | 2,449 | 185 | 38,418 | 34,833 |
| Expenditure on: | | | | | | |
| Raising funds | | | | | | |
| Fundraising costs | | 592 | 65 | - | 657 | 464 |
| Investment management fees | | 95 | 3 | 55 | 153 | 154 |
| Trading activities | 22 | 3,713 | - | - | 3,713 | 1,459 |
| Charitable activities | | | | | | |
| Educating | 8 | 19,419 | 409 | 3 | 19,831 | 16,407 |
| Improving | 9 | 4,050 | 2,531 | 20 | 6,601 | 8,725 |
| Influencing | 10 | 7,620 | 118 | - | 7,738 | 6,668 |
| Other | | 188 | 20 | | 208 | 21 |
| Total expenditure | 11/12 | 35,677 | 3,146 | 78 | 38,901 | 33,898 |
| Net operating (loss)/gain | | 107 | (697) | 107 | (483) | 935 |

| | Notes | Unrestricted funds | Restricted funds | Endowment funds | Total funds 31 Dec 22 | Total funds 31 Dec 21 |
|--|----------|--------------------|------------------|-----------------|-----------------------|-----------------------|
| Net gains/(losses) on investment assets | 14 | (2,236) | (69) | (1,277) | (3,582) | 3,962 |
| Net income/(expenditure) | | (2,129) | (766) | (1,170) | (4,065) | 4,897 |
| Transfers between funds | 18/19/20 | (11) | 46 | (35) | - | - |
| Actuarial (losses)/gains on defined benefit pension scheme | 23 | (1,005) | - | - | (1,005) | 2,937 |
| Net movement in funds for the year | | (3,145) | (720) | (1,205) | (5,070) | 7,834 |
| Funds brought forward at 1 Jan 2022 | 18/19/20 | 35,520 | 3,477 | 12,943 | 51,940 | 44,106 |
| Funds carried forward at 31 December 2022 | | 32,375 | 2,757 | 11,738 | 46,870 | 51,940 |

Consolidated and RCP balance sheets as at 31 December 2022

| | Notes | 2022 | | 2021 | |
|--|-------|-----------------|-----------------|-----------------|-----------------|
| | | Group | RCP | Group | RCP |
| | | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Intangible assets | 13a | 1,097 | 1,097 | 1,170 | 1,170 |
| Tangible fixed assets | 13b | 25,528 | 25,528 | 26,004 | 26,004 |
| Investments | 14 | 32,808 | 32,808 | 36,470 | 36,470 |
| | | 59,433 | 59,433 | 63,644 | 63,644 |
| Current assets | | | | | |
| Stocks | | 68 | 68 | 108 | 108 |
| Debtors | 15 | 2,939 | 4,082 | 3,815 | 4,014 |
| Investment accounts | | 7 | 1 | 7 | 1 |
| Cash | | 12,235 | 10,016 | 12,534 | 12,277 |
| | | 15,249 | 14,167 | 16,464 | 16,400 |
| Creditors | | | | | |
| Amounts falling due within 1 year | | | | | |
| Creditors and accrued expenses | 16 | (8,505) | (7,423) | (16,299) | (16,118) |
| Examination and other income received in advance | 16 | (7,872) | (7,872) | (8,171) | (8,171) |
| Provisions | 16b | (50) | (50) | (43) | (43) |
| Loan | | (441) | (441) | - | - |
| | | (16,868) | (15,786) | (24,513) | (24,332) |
| Net current liabilities | | (1,619) | (1,619) | (8,049) | (7,932) |
| Total assets less current liabilities | | 57,814 | 57,814 | 55,595 | 55,712 |
| Amounts falling due after 1 year | | | | | |
| Loan | | (6,838) | (6,838) | - | - |
| Other liabilities | | (4,106) | (4,106) | (3,269) | (3,269) |
| Net non-current liabilities | | (10,944) | (10,944) | (3,269) | (3,269) |
| Net assets excluding pension liability | | 46,870 | 46,870 | 52,326 | 52,443 |
| Defined benefit pension scheme liability | 23 | - | - | (386) | (386) |
| Net assets including pension liability | 21 | 46,870 | 46,870 | 51,940 | 52,057 |

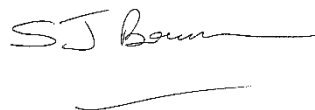
| | Notes | 2022 | | 2021 | |
|----------------------------------|-----------|---------------|---------------|---------------|---------------|
| | | Group | RCP | Group | RCP |
| Represented by | | | | | |
| Unrestricted funds: | | | | | |
| Designated funds | 18 | | | | |
| Fixed and Intangible Assets Fund | | 19,346 | 19,346 | 19,673 | 19,673 |
| Legacies Development Fund | | 120 | 120 | 147 | 147 |
| Care Quality Improvement | | 18 | 18 | 105 | 105 |
| Maintenance Fund | | 80 | 80 | - | - |
| | | 19,564 | 19,564 | 19,925 | 19,925 |
| General charitable fund | | 12,811 | 12,811 | 15,981 | 16,098 |
| Less: Pension scheme liabilities | 23 | - | - | (386) | (386) |
| | | 12,811 | 12,811 | 15,595 | 15,712 |
| Total unrestricted | | 32,375 | 32,375 | 35,520 | 35,637 |
| Restricted | 19 | 2,757 | 2,757 | 3,477 | 3,477 |
| Endowment | 20 | 11,738 | 11,738 | 12,943 | 12,943 |
| | | 46,870 | 46,870 | 51,940 | 52,057 |

The results of the parent charity for the year ended 31 December 2022 was a £5,070k deficit (2021: £7,834k surplus).

Approved for and on behalf of the RCP (Charity Registration No. 210508) on 31 August 2023 and authorised for issue.



President: Dr Sarah Clarke



Treasurer: Professor Simon Bowman

Consolidated statement of cash flow for the year ended 31 December 2022

| | | 2022 £000 | 2021 £000 |
|---|----------|----------------|----------------|
| Cash flow from operating activities | | | |
| Net cash provided by / (used in) operating activities | A | 1,561 | 5,437 |
| Dividends, interest and rents from investments | | 761 | 410 |
| Purchase of property, plant and equipment | | (1,841) | (4,589) |
| Purchase of intangible assets | | (304) | (254) |
| Proceeds from sale of investments | | 171 | 567 |
| Purchase of investments | | (91) | (141) |
| Net cash provided by (used in) investing activities | | (1,304) | (4,007) |
| Borrowings interest and principal repayments | | (350) | (63) |
| Finance lease payments | | (206) | (116) |
| Net cash provided by (used in) financing activities | | (556) | (179) |
| Change in cash and cash equivalents in the reporting period | | (299) | 1,251 |
| Cash and cash equivalents at the beginning of the reporting period | B | 12,541 | 11,290 |
| Cash and cash equivalents at the end of the reporting period | B | 12,242 | 12,541 |

Notes to consolidated statement of cash flow for the year ended 31 December 2022

| | | 2022 £000 | 2021 £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) | | (4,065) | 4,897 |
| Adjustments for: | | | |
| Depreciation charges | | 2,285 | 1,909 |
| Amortisation charges | | 364 | 501 |
| Disposal and impairment of assets | | 45 | - |
| Loss/(gains) on investments | | 3,582 | (3,963) |
| Increase/(decrease) in provisions | | 7 | (84) |
| Dividends, interest and rents from investments | | (761) | (410) |
| (Gain) on valuation of defined benefit pension scheme | | (1,391) | (916) |
| (Increase)/decrease in stocks | | 40 | 6 |
| (Increase)/decrease in debtors | | 876 | 2,288 |
| Increase/(decrease) in creditors | | 579 | 1,209 |
| Net cash provided by/(used in) operating activities | | 1,561 | 5,437 |

| | 2022 £000 | 2021 £000 |
|---|---------------|---------------|
| B. Analysis of cash and cash equivalents | | |
| Cash in hand | 12,235 | 12,534 |
| Notice deposits and investment accounts (less than 30 days) | 7 | 7 |
| Total cash and cash equivalents | 12,242 | 12,541 |

| Analysis of changes in net debt | | | | | | |
|--|----------------|--------------|--------------------|---------------|--------------------------------------|----------------|
| | At 1 Jan 2022 | Cash flow | New finance leases | Acquired debt | Interest and non-utilisation charges | At 31 Dec 2022 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cash and cash equivalents | | | | | | |
| Cash in hand | 12,534 | (299) | - | - | - | 12,235 |
| Notice deposits and investment accounts (less than 30 days) | 7 | - | - | - | - | 7 |
| Total cash and cash equivalents | 12,541 | (299) | - | - | - | 12,242 |
| Borrowings | | | | | | |
| Loan to finance fixed assets – falling due after more than one year* | (7,500) | 350 | - | - | (129) | (7,279) |
| Finance lease obligations | (748) | 206 | - | - | (10) | (552) |
| Total borrowings | (8,248) | 556 | - | - | (139) | (7,831) |
| Total net debt | 4,293 | 257 | - | - | (139) | 4,411 |

* During 2020 the organisation utilised £7.5m of a £10m revolving credit facility with Santander to fund the RCP at The Spine development. In 2022, the facility converted to a term loan.

Notes to the financial statements

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, as presented on pages 52 to 80, have been reformatted to report under the three priority areas of educating, influencing and improving for the year ending 31 December 2022, aligned to the 2022–24 strategy. The comparative 2021 figures have also been restated to provide a meaningful prior year comparison.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (2015) 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 has been undertaken including:

- a review of budgets and 2023 management accounts
- > 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.

Income levels for the RCP were significantly impacted in 2020 through to 2021 by the COVID-19 pandemic. Income has recovered in 2022, reaching 90% of pre-pandemic levels.

For the period to September 2024 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 can drawdown against funds held within the investment portfolio if required. The Board have agreed a financial strategy for the period 2023 to 2026 that demonstrates that the RCP has adequate levels of cash and reserves going forward.

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 is recognised in the year it is due. Any membership fees received in advance are shown as deferred income. 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 49 years 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%. Depreciation and amortisation is allocated to the departments within the RCP on the basis of area occupied. 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.

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 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.

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.

Notes to the financial statements continued

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.

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 18.

Restricted funds

Restricted funds are subject to specific conditions laid down by the donors as to how they may be used. Note 19 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 20.

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 20 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 23.

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.

Notes to the financial statements continued

Incoming resources

| | Unrestricted | Restricted/ endowment | 2022 | 2021 |
|---|---------------|-----------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 |
| 2 Donations, grants and legacies | | | | |
| Donations | 317 | 252 | 569 | 559 |
| Grants | - | - | - | 550 |
| Legacies | 10 | - | 10 | 55 |
| | 327 | 252 | 579 | 1,164 |
| 3 Educating | | | | |
| Examinations | 12,358 | - | 12,358 | 9,746 |
| Education and training* | 3,757 | 220 | 3,977 | 3,960 |
| Conferences | 1,350 | - | 1,350 | 1,283 |
| Library and museum | 30 | 10 | 40 | 92 |
| | 17,495 | 230 | 17,725 | 15,081 |
| 4 Improving | | | | |
| Accreditation programmes | 2,137 | 9 | 2,146 | 2,068 |
| National audits | 1 | 1,853 | 1,854 | 4,286 |
| Quality improvement programmes | 375 | - | 375 | 402 |
| Invited reviews | 251 | - | 251 | 342 |
| | 2,764 | 1,862 | 4,626 | 7,098 |
| 5 Influencing | | | | |
| Subscriptions | 7,992 | - | 7,992 | 7,472 |
| Journals and publications | 708 | - | 708 | 618 |
| Media, policy and campaigns | 146 | 95 | 241 | 178 |
| Member conferences and events | 628 | - | 628 | 364 |
| | 9,474 | 95 | 9,569 | 8,632 |
| 6 Investment income | | | | |
| Dividends | 74 | 55 | 129 | 80 |
| Interest on investments | 220 | 140 | 360 | 338 |
| | 294 | 195 | 489 | 418 |
| 7 Other income | | | | |
| Rental income | 480 | - | 480 | 213 |
| Café sales | 62 | - | 62 | 10 |
| Building contribution | 144 | - | 144 | - |
| Other | 83 | - | 83 | 1 |
| | 769 | - | 769 | 224 |

* A prior year adjustment has been posted related to Joint Royal Colleges of Physicians Training Board (JRCPTB) income. Details of this adjustment are included in Note 27 to the accounts.

Resources expended

| | Unrestricted | Restricted/endowment | 2022 | 2021 |
|-----------------------------------|---------------|----------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 |
| 8 Educating | | | | |
| Examination services | 9,326 | - | 9,326 | 7,021 |
| Conferences | 4,817 | - | 4,817 | 4,304 |
| Education and training | 4,058 | 398 | 4,456 | 4,033 |
| Library and museum services | 1,218 | 14 | 1,232 | 1,049 |
| | 19,419 | 412 | 19,831 | 16,407 |
| 9 Improving | | | | |
| Accreditation | 2,633 | 73 | 2,706 | 2,375 |
| National audits | 6 | 2,248 | 2,254 | 4,681 |
| Quality improvement | 947 | 16 | 963 | 1,082 |
| Invited reviews | 464 | - | 464 | 438 |
| Awards, fellowships and bursaries | - | 214 | 214 | 149 |
| | 4,050 | 2,551 | 6,601 | 8,725 |
| 10 Influencing | | | | |
| Membership services | 1,895 | - | 1,895 | 1,483 |
| Journals and publications | 1,574 | - | 1,574 | 1,415 |
| Media, policy and campaigns | 2,065 | 118 | 2,183 | 1,700 |
| Member conferences and events | 599 | - | 599 | 807 |
| Committees | 886 | - | 886 | 759 |
| International networks | 601 | - | 601 | 504 |
| | 7,620 | 118 | 7,738 | 6,668 |

Notes to the financial statements continued

| 11 Expenditure on | Direct costs | Staff costs | Other support costs | Total 2022 | Total 2021 |
|-------------------------------|---------------|---------------|---------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Raising funds | | | | | |
| Fundraising costs | 94 | 238 | 325 | 657 | 464 |
| Investment management fees | 153 | - | - | 153 | 154 |
| Trading activities | 3,713 | - | - | 3,713 | 1,459 |
| Charitable expenditure | | | | | |
| Educating | 6,585 | 6,094 | 7,152 | 19,831 | 16,407 |
| Improving | 1,778 | 2,513 | 2,310 | 6,601 | 8,725 |
| Influencing | 1,420 | 2,630 | 3,688 | 7,738 | 6,668 |
| Other expenditure | 208 | - | - | 208 | 21 |
| Total for 2022 | 13,951 | 11,475 | 13,475 | 38,901 | 33,898 |
| Total for 2021 | 9,492 | 12,938 | 11,468 | 33,898 | |

| | 2022 | 2021 |
|---|---------------|---------------|
| | £000 | £000 |
| The analysis of other support costs is as follows: | | |
| Property services | 6,282 | 4,988 |
| Information technology costs | 2,507 | 2,667 |
| Audio visual | 410 | 608 |
| Human resources | 1,054 | 839 |
| Finance | 1,060 | 858 |
| Internal events | 118 | 817 |
| Governance costs* | 191 | 110 |
| Central | 1,853 | 2,520 |
| | 13,475 | 13,407 |

*Governance costs include fees payable to the auditors from audit fees of £52.7k (2021: £46.9k) and non-audit services of £2.4k (2021: £2.8k).

Notes to the financial statements continued

| 12 | Employees and trustees | 2022 | 2021 |
|------------|--|---------------|---------------|
| | The total costs of salaries and wages were as follows: | £000 | £000 |
| | Salaries and wages | 14,210 | 14,719 |
| | Social security costs | 1,537 | 1,506 |
| | Pension costs | 1,208 | 1,323 |
| | | 16,955 | 17,548 |
| | | | |
| | | 2022 | 2021 |
| | The average number of employees in the year was: | 387 | 403 |
| | The number of employees whose emoluments exceeded £60,000 were: | | |
| | £60,001–£70,000 | 14 | 13 |
| | £70,001–£80,000 | 12 | 7 |
| | £80,001–£90,000 | 1 | 3 |
| | £90,001–£100,000 | 2 | 4 |
| | £100,001–£110,000 | 2 | 3 |
| | £110,001–£120,000 | 1 | - |
| | £120,001–£130,000 | - | - |
| | £130,001–£140,000 | - | - |
| | £140,001–£150,000 | - | 1 |
| | £150,001–£160,000 | 1 | - |
| | | | |
| | | 2022 | 2021 |
| 12a | Key management personnel | £000 | £000 |
| | Total employee benefits paid to key management personnel (Including pension contributions) | 1,205 | 1,205 |
| 12b | Termination payments | 2022 | 2021 |
| | No of payments | 6 | 18 |
| | Value of payments (£000) | 111 | 198 |
| 12c | Payments to trustees* | 2022 | 2021 |
| | Number 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. | 12 | 6 |
| | Value of payments (£000) | 16 | 10 |

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

Notes to the financial statements continued

| 13a Intangible IT assets (Group and RCP) | Intangible IT assets in use | | Intangible IT assets under construction | | Total 2022 |
|---|-----------------------------|--|---|--|----------------|
| | £000 | | £000 | | £000 |
| Cost at 1 January 2022 | 5,009 | | 297 | | 5,306 |
| Additions | 30 | | 274 | | 304 |
| Transfers/adjustments | 168 | | (168) | | - |
| Disposals | (65) | | - | | (65) |
| Cost at 31 December 2022 | 5,142 | | 403 | | 5,545 |
| Accumulated amortisation at 1 January 2022 | (4,136) | | - | | (4,136) |
| Amortisation for the year | (364) | | - | | (364) |
| Disposals | 52 | | - | | 52 |
| Accumulated amortisation at 31 December 2022 | (4,448) | | - | | (4,448) |
| Net book value at 31 December 2022 | 694 | | 403 | | 1,097 |
| Net book value at 31 December 2021 | 873 | | 297 | | 1,170 |

| 13b Tangible assets (Group and RCP) | Leasehold properties | Furniture and fixtures | IT & AV tangible assets | Assets under construction | Total 2022 |
|---|----------------------|------------------------|-------------------------|---------------------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost at 1 January 2022 | 36,094 | 2,701 | 5,005 | 67 | 43,867 |
| Additions | 1,392 | 107 | 342 | - | 1,841 |
| Transfers/adjustments | 57 | - | - | (57) | - |
| Disposals | (24) | - | (2) | (10) | (36) |
| Cost at 31 December 2022 | 37,519 | 2,808 | 5,345 | - | 45,672 |
| Accumulated depreciation at 1 January 2022 | (14,817) | (786) | (2,260) | - | (17,863) |
| Depreciation for the year | (1,487) | (217) | (581) | - | (2,285) |
| Disposals | 4 | - | - | - | 4 |
| Accumulated depreciation at 31 December 2022 | (16,300) | (1,003) | (2,841) | - | (20,144) |
| Net book value at 31 December 2022 | 21,219 | 1,805 | 2,504 | - | 25,528 |
| Net book value at 31 December 2021 | 21,277 | 1,915 | 2,745 | 67 | 26,004 |

Notes to the financial statements continued

| 14 Investments (Group and RCP) | Unrestricted | | | | Total | |
|---|--------------------------|---------------|--------------|---------------|---------------|---------------|
| | Designated for leasehold | General | Restricted | Endowment | 2022 | 2021 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Market value at 1 January 2022 | 52 | 23,223 | 1,633 | 11,562 | 36,470 | 32,932 |
| Additions at cost | 10 | 63 | - | 18 | 91 | 141 |
| Disposals | (9) | (125) | (2) | (35) | (171) | (566) |
| (Loss)/gains | (5) | (2,231) | (69) | (1,277) | (3,582) | 3,963 |
| Total investments at 31 December 2022 | 48 | 20,930 | 1,562 | 10,268 | 32,808 | 36,470 |
| Historical cost at 31 December 2022 | | 17,977 | 303 | 10,716 | 28,996 | 28,379 |
| The above investments are held as follows: | | | | | 2022 | 2021 |
| | | | | | £000 | £000 |
| Equities | | | | | 20,904 | 24,196 |
| Bonds | | | | | 2,989 | 2,911 |
| Multi-asset funds | | | | | 1,380 | 1,778 |
| Alternatives | | | | | 4,956 | 4,923 |
| Cash | | | | | 2,579 | 2,662 |

| 15 Debtors (Group and RCP) | 2022 | | 2021 | |
|-----------------------------|--------------|--------------|--------------|--------------|
| | Group | RCP | Group | RCP |
| | £000 | £000 | £000 | £000 |
| Current | | | | |
| Trade debtors | 1,532 | 1,206 | 1,303 | 1,103 |
| Other debtors | 79 | 79 | 53 | 53 |
| Prepayments | 1,130 | 1,130 | 927 | 927 |
| Accrued income | 198 | 198 | 1,532 | 1,532 |
| Amounts due from subsidiary | - | 1,469 | - | - |
| Non-current | | | | |
| Loans due from subsidiary | - | - | - | 399 |
| | 2,939 | 4,082 | 3,815 | 4,014 |

Notes to the financial statements continued

| 16 Creditors and accrued expenses (Group and RCP) | 2022 | | 2021 | |
|---|--|--------------------------------------|--------------------------------------|---|
| | Group £000 | RCP £000 | Group £000 | RCP £000 |
| Current | | | | |
| Trade creditors | 1,226 | 1,206 | 945 | 765 |
| Other creditors | 2,892 | 1,954 | 3,163 | 2,378 |
| Tax and social security creditors | 959 | 959 | 562 | 562 |
| Accruals | 3,237 | 3,113 | 3,959 | 3,952 |
| Revolving credit facility | - | - | 7,500 | 7,500 |
| Amount due to subsidiary undertaking | - | - | - | 791 |
| Obligations under finance lease | 191 | 191 | 170 | 170 |
| Bank loan** | 441 | 441 | | |
| | 8,946 | 7,864 | 16,299 | 16,118 |
| Examination and other income received in advance (Group and RCP) | Balance b/f 1 Jan 22 £000 | Released to SOFA £000 | Received in year £000 | Balance c/f 31 Dec 22 £000 |
| Examination income | 5,380 | 5,380 | 5,018 | 5,018 |
| Other income* | 2,791 | 2,824 | 2,887 | 2,854 |
| | 8,171 | 8,204 | 7,905 | 7,872 |
| Non-current | | | | |
| | Group £000 | RCP £000 | Group £000 | RCP £000 |
| Bank loan** | 6,838 | 6,838 | - | - |
| Accruals | 3,745 | 3,745 | 2,690 | 2,690 |
| Obligations under finance lease | 361 | 361 | 579 | 579 |
| | 10,944 | 10,944 | 3,269 | 3,269 |

* A prior year adjustment has been posted related to JRCPTB income. Details of this adjustment are included in Note 27 to the accounts.

** A loan was taken out as part of the contribution to the fit-out costs of The Spine. This included a revolving credit facility of up to £10.0m, with £7.5m actually drawn and converted to full loan term in August 2022. The following covenants are in place against the loan:

1. Net asset value should not be less than £28m
2. The investment portfolio value should not at any time be less than 110% of total debt.

The loan has an amortisation period of 17 years and a 7-year term, after which the outstanding balance requires repayment or a new loan agreement put into place. Principal and interest payments are made quarterly with interest consisting of a fixed lending fee and variable rate pegged against SONIA.

Notes to the financial statements continued

| 16b Provisions for liabilities (Group) | Other £000 | 2022 total | 2021 total |
|---|------------|------------|------------|
| Provisions at 1 January | 43 | 43 | 127 |
| Additional provisions made in the year | 7 | 7 | - |
| Provisions released from prior years | - | - | (84) |
| Provision for liabilities at 31 December | 50 | 50 | 43 |

| 17 Financial assets and liabilities | 2022 | 2021 |
|---|---------|--------|
| | £000 | £000 |
| Financial assets held at fair value | 32,808 | 36,470 |
| Gains/(losses) on assets held at fair value | (3,581) | 3,962 |

| 18 Unrestricted funds | Balance as at 01/01/2022 | Income | Expenditure | Gains/losses | Transfers | Balance as at 31/12/2022 |
|----------------------------------|-----------------------------|--------|-------------|--------------|-----------|-----------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Unrestricted general* | 15,595 | 35,784 | (35,677) | (3,241) | 350 | 12,811 |
| Unrestricted designated | | | | | | |
| Fixed and Intangible Assets Fund | 19,673 | - | - | - | (327) | 19,346 |
| Legacies Development Fund | 147 | - | - | - | (27) | 120 |
| Care Quality Improvement | 105 | - | - | - | (87) | 18 |
| Maintenance Fund | - | - | - | - | 80 | 80 |
| | 35,520 | 35,784 | (35,677) | (3,241) | (11) | 32,375 |

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 department.

Maintenance Fund – the fund is designated for the quinquennial external building renovations for leased property in London.

* A prior year adjustment has been posted related to JRCPTB income. Details of this adjustment are included in Note 27 to the accounts.

Notes to the financial statements continued

| 19 Restricted funds | Balance at 01/01/2022 | Income | Expenses | Gains/(losses) | Transfers | Balance at 31/12/2022 |
|--|--------------------------|--------------|----------------|----------------|-----------|--------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Dorothy Whitney Wood – Physicians’ Fund | 493 | 25 | (38) | - | - | 480 |
| National Asthma and COPD Audit Programme | 198 | 618 | (865) | - | 49 | - |
| Falls and Fragility Fracture Audit Programme | 180 | 644 | (708) | - | - | 116 |
| Physicians’ Fund | 168 | 75 | (75) | - | - | 168 |
| Advanced clinical practice curricula development | 160 | - | (58) | - | - | 102 |
| The Saltwell Will Trust Research Branch | 154 | - | - | - | 19 | 173 |
| Research course project | 150 | 123 | (70) | - | - | 203 |
| HEE Flexible Portfolio Training | 136 | - | (136) | - | - | - |
| Harold Thomas Barten Trust | 123 | 2 | - | (12) | - | 113 |
| Dr Everley-Jones legacy | 103 | 2 | - | (12) | - | 93 |
| KSS Clinical Education Fellowship | 102 | 65 | (59) | - | - | 108 |
| External Affairs - Alcohol project | 96 | 95 | (90) | - | - | 101 |
| Pulmonary Rehabilitation Services Accreditation Scheme | 96 | - | (52) | - | - | 44 |
| E-learning for healthcare – acute medicine project | 89 | - | (46) | - | - | 43 |
| National Guideline Centre | 85 | 592 | (673) | - | (4) | - |
| Catherine Mills Bequest | 84 | 1 | - | (8) | - | 77 |
| COVID-19 appeal | 81 | - | (83) | - | 2 | - |
| Thomas Cotton Trust | 77 | - | - | - | 3 | 80 |
| Frank Peacock Bequest | 77 | - | - | (8) | - | 69 |
| QIPS – patient partners/medication safety | 61 | - | (16) | - | - | 45 |
| Queenie Louisa Higgins Bequest | 55 | - | - | (5) | - | 50 |
| E-learning for healthcare project | 54 | - | (24) | - | - | 30 |
| Drabu MTI programme | 43 | - | - | - | 2 | 45 |
| Mackenzie-Mackinnon Streatfield | 37 | 1 | - | (4) | - | 34 |
| Fundraising | 35 | - | - | - | - | 35 |
| Eric Watts donation | 34 | - | - | - | - | 34 |
| Symons collection | 34 | - | - | - | - | 34 |
| Will Edmunds Clinical Research Trust | 33 | - | - | - | 8 | 41 |
| Fundraising Heritage Museum | 18 | 19 | (3) | - | - | 34 |
| HEE funded enhanced research project | - | 33 | (3) | - | - | 30 |
| 31 other funds balances below £30,000 | 421 | 154 | (147) | (20) | (33) | 375 |
| Total | 3,477 | 2,449 | (3,146) | (69) | 46 | 2,757 |

Notes to the financial statements continued

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

The grants for Care Quality Improvement and Education are received in respect for 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

| 20 Endowment funds | Unapplied total return | Income | Gains/(Losses) | Conversion to income | Transfers | Unapplied total return | 'Frozen' permanent capital | Total endowment |
|--|------------------------|------------|----------------|----------------------|-----------|------------------------|----------------------------|-----------------|
| | 01/01/2022 | | | | | 31/12/2022 | 31/12/2022 | 31/12/2022 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Bradshaw Trust | 228 | 7 | (37) | (4) | - | 194 | 143 | 337 |
| Eden Fellowship in Paediatrics | 1,322 | 21 | (144) | (7) | - | 1,192 | 142 | 1,334 |
| John Rosser Scholarship | 41 | 2 | (8) | (1) | - | 34 | 42 | 76 |
| Joseph Senior White Trust | 147 | 3 | (30) | (1) | - | 119 | 161 | 280 |
| Lewis Thomas Gibbon Jenkins-Briton Ferry | 1,716 | 42 | (293) | (15) | - | 1,450 | 1,250 | 2,700 |
| ORL Wilson Bequest | 132 | 2 | (17) | (1) | - | 116 | 44 | 160 |
| James Maxwell Grant Proffit Bequest | 588 | 17 | (112) | (21) | - | 472 | 539 | 1,011 |
| Sadleir Trust | 436 | 8 | (52) | (3) | - | 389 | 91 | 480 |
| Samuel Leonard Simpson Fellowship | 769 | 15 | (103) | (4) | - | 677 | 280 | 957 |
| T K Stubbins bequest | 34 | 3 | (15) | (1) | - | 21 | 104 | 125 |
| Watson Smith Trust | 697 | 16 | (115) | (5) | - | 593 | 470 | 1,063 |
| William Withering Prize | 164 | 4 | (20) | (2) | - | 146 | 38 | 184 |
| Dr J D Ramsay Scholarship | 59 | 1 | (9) | - | - | 51 | 30 | 81 |
| Graham Bull Prize | 63 | 1 | (9) | (1) | - | 54 | 25 | 79 |
| Sir Michael Perrin Lecture | 92 | 0 | (11) | - | - | 81 | 12 | 93 |
| Lady Teale Lecture | 120 | 1 | (16) | (1) | - | 104 | 44 | 148 |
| John Glyn | 125 | 4 | (20) | - | - | 109 | 80 | 189 |
| Dame Sheila Kift Bequest | 47 | 1 | (8) | - | - | 40 | 38 | 78 |
| John Thornton Ingram Lecture | 36 | 2 | (4) | - | - | 34 | 6 | 40 |
| Lockyer Lectureship and Fellowship | 33 | - | (4) | - | - | 29 | 12 | 41 |
| Simms Bequest | 28 | - | (4) | - | - | 24 | 16 | 40 |
| Professor PF Thomas Bequest | 34 | - | (6) | - | - | 28 | 25 | 53 |
| 10 other funds with balances below £40,000 | 75 | - | (13) | (1) | - | 61 | 50 | 111 |
| Subtotal | 6,986 | 150 | (1,050) | (68) | - | 6,018 | 3,642 | 9,660 |

Notes to the financial statements continued

| Funds not included in total return | Balance at 01/01/2022 | Income | Gains/(losses) | Conversion to income | Transfers | 'Frozen' permanent capital | Balance at 31/12/2022 |
|---|--------------------------|------------|----------------|-------------------------|-------------|----------------------------------|--------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Thomas Cotton Fund | 201 | 3 | 2 | - | (3) | - | 203 |
| The London Fever Hospital Research Fund | 199 | 3 | (22) | (1) | (3) | - | 176 |
| Saltwell Will Trust Research Branch | 1,227 | 19 | (136) | (6) | (19) | - | 1,085 |
| Will Edmunds Clinical Research Fund | 550 | 8 | (57) | (2) | (8) | - | 491 |
| Drabu Fund | 138 | 2 | (14) | (1) | (2) | - | 123 |
| Subtotal | 2,315 | 35 | (227) | (10) | (35) | - | 2,078 |
| Total endowment | 9,301 | 185 | (1,277) | (78) | (35) | 3,642 | 11,738 |

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 Proffit Trust was received in November 1998. The endowment is an addition to the Proffit 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 (1900–83) 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

| 21 Analysis of group net assets after pension scheme liability | | | | | | | |
|--|---------------------------|-----------------------------------|----------------|---------------|---|---------------|---------------|
| | | Intangible and tangible assets | Loan | Investments | Net liabilities inc. pension liability | Total 2022 | Total 2021 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Unrestricted: | | | | | | | |
| Designated | Fixed Assets Fund | 26,625 | (7,279) | - | - | 19,346 | 19,673 |
| | Legacies Development Fund | - | - | - | 120 | 120 | 147 |
| | Care Quality Improvement | - | - | - | 18 | 18 | 105 |
| | Maintenance Fund | - | - | - | 80 | 80 | - |
| | | 26,625 | (7,279) | - | 218 | 19,564 | 19,925 |
| General funds | | - | | 20,978 | (8,167) | 12,811 | 15,595 |
| * | | 26,625 | (7,279) | 20,978 | (7,949) | 32,375 | 35,520 |
| Restricted | | - | - | 1,562 | 1,195 | 2,757 | 3,477 |
| Endowment | | - | - | 10,268 | 1,470 | 11,738 | 12,943 |
| | | 26,625 | (7,279) | 32,808 | (5,284) | 46,870 | 51,940 |

* A prior year adjustment has been posted related to JRCPTB income. Details of this adjustment are included in Note 27 to the accounts.

Notes to the financial statements continued

22 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.

| | 2022 | 2021 |
|---|----------------|----------------|
| Profit and loss account | £000 | £000 |
| Turnover | 4,661 | 1,448 |
| Cost of sales | (1,320) | (594) |
| Gross profit | 3,341 | 854 |
| Administrative expenses | (2,393) | (865) |
| Operating profit/(loss) | 948 | (11) |
| Gift aid to Royal College of Physicians | (831) | - |
| Retained profit/(loss) for the financial year | 117 | (11) |
| Included within operating costs is £2,329k (2021: £795k), which represents a reimbursement in respect of costs incurred by the RCP. | | |
| | 2022 | 2021 |
| Balance sheet | £000 | £000 |
| Debtors | 325 | 199 |
| Debtor – due from RCP | - | 791 |
| Balance at bank | 2,226 | 264 |
| Current and total assets | 2,551 | 1,254 |
| Creditors due within 1 year: | (1,082) | (972) |
| Creditors due more than 1 year: | - | (399) |
| Creditor – due to RCP | (1,469) | - |
| Total creditors | (2,551) | (1,371) |
| Net assets | - | (117) |
| Capital and reserves | | |
| Accumulated deficit | - | (117) |
| 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 profit for the year ended 31 December 2022 was £948k (2021 loss: £11k).

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.

23 Pension schemes

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 and Aon. 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.

Total pension costs charged for the year was net income £6k (2021: £49k) for the defined benefit pension scheme and employer pension contributions of £1,208k (2021: £1,323k) for the defined contribution pension scheme.

One of the defined contribution schemes 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 2022 by a qualified actuary. The 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.

The valuation, details of which are given below, shows £16.08 million of assets and £15.45 million of liabilities, resulting in a scheme surplus of £637k. However, in accordance with paragraph 28.22 of FRS 102 the net pension asset has been restricted to the value of the scheme’s future pension cost less future employee contributions. The net pension asset therefore becomes £nil.

The scheme’s assets and liabilities as at 31 December 2022, analysis of pension costs and details of the valuation were as follows:

| Principal assumptions | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | % per annum | % per annum | % per annum | % per annum | % per annum |
| Discount rate | 4.80 | 1.85 | 1.30 | 2.00 | 2.90 |
| Aggregate long-term expected rate of return on assets | 4.80 | 1.85 | 1.30 | 2.00 | 2.90 |
| Rate of increase of salaries | n/a | n/a | n/a | n/a | n/a |
| RPI inflation assumption for pensions in payment | 3.00 | 3.25 | 2.75 | 3.00 | 3.25 |
| CPI inflation assumption for deferred pensions | 2.45 | 2.65 | 2.15 | 2.00 | 2.25 |
| Pension increases | 2.95 | 3.15 | 2.75 | 2.95 | 3.15 |
| 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 |

Notes to the financial statements continued

Mortality tables: 101% of S3PMA tables for men and 92% of S3PFA tables for women using CMI 2021 projections with a 1.25% long-term rate of improvement based on year of birth.

The assets valued below are in the form of monies invested with Legal and General Investment Management, BMO Global Asset Management, M&G Investments and Janus Henderson Investors together with the trustees' bank account. The assets in the scheme and the expected rate of return were:

| Assets breakdown | 2022 | 2021 |
|---------------------------------------|------------|------------|
| | % | % |
| Real return and absolute return funds | - | - |
| Diversified Growth Fund | - | - |
| UK Government index-linked gilts | - | - |
| Corporate bonds | - | - |
| Multi asset credit | 39.13 | 33.00 |
| UK corporate bonds | 11.24 | 12.69 |
| Liability driven investments | 20.99 | 22.21 |
| Equities | 12.72 | 16.31 |
| Cash | 15.92 | 15.79 |
| 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 | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Pension scheme liability at the beginning of the year | (386) | (4,239) |
| Actuarial losses and gains on present value of obligations | 7,732 | 416 |
| Experience gains and losses on defined benefit obligations | (1,199) | 1,430 |
| Gains/(losses) on return of scheme assets | (6,901) | 1,091 |
| Employer contributions | 1,385 | 965 |
| Net interest on the net defined benefit liability | 6 | (49) |
| | 637 | (386) |
| | 2022 | 2021 |
| | £000 | £000 |
| Present value of scheme liabilities at beginning of the year | 22,342 | 24,526 |
| Interest cost | 406 | 315 |
| Actuarial (loss)/gain on scheme liability assumption changes | (6,533) | (1,846) |
| Benefits paid | (770) | (653) |
| Present value of scheme liabilities at the end of the year | 15,445 | 22,342 |

Notes to the financial statements continued

| Movement in deficit during the year | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Fair value of scheme assets at beginning of the year | 21,956 | 20,287 |
| Interest income | 412 | 266 |
| Return on scheme assets | (6,901) | 1,091 |
| Employer contributions | 1,385 | 965 |
| Benefits paid | (770) | (653) |
| Fair value of scheme assets at the end of the year | 16,082 | 21,956 |
| | 2022 | 2021 |
| | £000 | £000 |
| Fair value of scheme assets | 16,082 | 21,956 |
| Value of liabilities (defined benefit obligation) | (15,445) | (22,342) |
| Funded status | 637 | (386) |
| Adjustment in accordance with the limit in FRS 102 paragraph 28.22 | (637) | - |
| Recognised pension scheme liability | - | (386) |

| Analysis of pension scheme assets and liabilities for the current and previous five financial periods | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|----------|--------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Present value of scheme liability | (15,445) | (22,342) | (24,526) | (22,482) | (19,966) | (22,604) |
| Fair value of scheme assets | 16,082 | 21,956 | 20,287 | 18,239 | 16,988 | 16,690 |
| Surplus/(Deficit) | 637 | (386) | (4,239) | (4,243) | (2,978) | (5,914) |
| Adjustment in accordance with the limit in FRS 102 paragraph 28.22 | (637) | - | - | - | - | - |
| Surplus/(Deficit) | - | (386) | (4,239) | (4,243) | (2,978) | (5,914) |

At the date of the last triennial statutory actuarial assessment as at 1 January 2021, the market value of the scheme was £22.35 million and the actuarial value of those assets represented 75.5% of the value of the benefits which had accrued at that date, allowing for future pension increases.

Notes to the financial statements continued

| 24 Lease obligations | 2022 | 2021 |
|--|---------------|---------------|
| | £000 | £000 |
| Operating leases on land and buildings, by expiry date: | | |
| Under 1 year | 25 | 13 |
| 1 to 5 years | 1,254 | 34 |
| 5 years plus | 26,328 | 27,562 |
| Total future minimum operating lease commitments | 27,607 | 27,609 |
| Operating leases on office equipment and computers, by expiry date: | | |
| Under 1 year | 105 | 11 |
| 1 to 5 years | 230 | - |
| 5 years plus | - | - |
| Total future minimum operating lease commitments | 335 | 11 |
| Finance leases on IT equipment, by expiry date: | | |
| Under 1 year | 91 | 91 |
| 1 to 5 years | 113 | 204 |
| 5 years plus | - | - |
| Total future finance lease commitments | 204 | 295 |
| Finance leases on land and buildings, by expiry date: | | |
| Under 1 year | 100 | 100 |
| 1 to 5 years | 258 | 375 |
| 5 years plus | - | - |
| Total future minimum finance lease commitments | 358 | 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.

25 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. At 31 December 2022 The RCP Regent's Park Limited owed the RCP £1,469k in relation to an inter-company balance. There were no other related party transactions in the period.

26 Capital commitments

The Royal College of Physicians had a capital commitment of £982k as at 31 December 2022 (2021: £974k), related to electrical works on the Regent's Park estate, new website delivery and CRM move to online.

27 Prior year adjustment

Adjustments have been made to prior year figures in relation to deferred income. Previously fees paid in advance for the JRCPTB have been recognised as income on receipt. However, on review of the accounting policy fees are now recognised in line with the delivery of services. This has resulted in the deferral of income as detailed below.

| Prior year adjustment | £000 |
|--|---------------|
| Opening reserves as at 01 January 2021 (as previously stated) | 45,046 |
| Deferred income adjustment 2020 | (940) |
| Opening reserves as at 01 January 2021 (restated) | 44,106 |
| Adjustment to 2021 income | 185 |
| Closing reserves as at 31 December 2021 (as previously stated) | 52,695 |
| Closing reserves as at 31 December 2021 (restated) | 51,940 |

Awards, fellowships and donors

Awards, prizes and lectures

Baly medal

Professor Brian Diffey

Bisset Hawkins medal

Dr Deirdre A Buckley

Croonian lecture

Dr Piu Banerjee

Frederick Murgatroyd memorial prize

Dr Michael Edward Marks

FitzPatrick lecture

Professor David Gawkrödger

Harveian orator

Professor Dame Anne Johnson

Lady Estelle Wolfson lecture in translational medicine

Dr Nimzing Ladep

Linacre lecture

Professor Benedict D Michael

Teale essay prize for trainees

Caitriona Cox

Samuel Gee lecture

Professor Sir Stephen Holgate

RCP-NIHR Clinical Research Network awards

Anna Goodman

Ronak Rajani

Wenhao Li

Lisa Leung

Weber-Parkes prize

Professor Henry Mwandumba

Fellowships and bursaries

RCP Medical student electives bursaries

Angharad James

Molly Hugkulstone

Aoife Murnaghan

Arun Thirunavukarasu

RCP Rosetrees fellowships

Dr Priyanka Chandratre

Dr Amar Shah

Samuel Leonard Simpson fellowship in endocrinology

Dr Sidrah Lodhi

Whitney-Wood scholarships

Dr Luciana Torquati

Dr Ye Oo

Fellowship admissions

New fellows

301 elected under bye-law 8.2 (1) a

3 elected under bye-law 8.2 (1) b

185 elected under bye-law 8.2 (1) c

10 elected under bye-law 8.6 (1)

New honorary fellows

Professor David Abraham

Dr Samuel JK Abraham

Roger Butterworth

Clive Constable

Linda Cuthbertson

Professor Dieter Häussinger

Professor Mary Horgan

Professor Frank Kelly

Dr Joseph Loscalzo

Professor Narinder Mehra

Professor Sharon Peacock

Dr Marc Pfeffer

Professor Wendy Reid

Kathryn Straughton

Professor Jacqueline Taylor

Dr Richard David Joseph Withnall

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Administrative information

Principal address

11 St Andrews Place
Regent's Park
London NW1 4LE

Principal advisers

Solicitors
Fieldfisher LLP
Riverbank House
2 Swan Lane
London EC4R 3TT

DAC Beachcroft LLC
Administration Centre
Portwall Place
Portwall Lane
Bristol BS1 9HS

Bankers

C Hoare and Company
37 Fleet Street
London EC4P 4DQ

Lloyds plc
National Clubs and Charities Centre
Sedgemoor House
Dean Gate Avenue
Blackbrook Business Park
Taunton TA1 2UF

Santander UK plc
Education Specialist Sectors Group
4 St Paul's Square
Liverpool L3 9SJ

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Investment managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Morgan Stanley Private Wealth Management
25 Cabot Square
Canary Wharf
London E14 4QA

Royal Bank of Canada
1 Place Ville Marie 12th floor
Suite 1240
Montréal
Quebec H3B 4P5
Canada

**11 St Andrews Place
Regent's Park
London NW1 4LE**

**The Spine
2 Paddington Village
Liverpool L7 3FA**

www.rcp.ac.uk

