



Royal College
of Physicians



The voice of our members

Annual report 2019

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About the RCP

The Royal College of Physicians (RCP) is a professional membership body for physicians, with over 37,000 members and fellows around the globe working in hospitals and communities across 30 medical specialties.

Physicians diagnose and treat illness, and promote good health. They care for millions of medical patients with a broad range of conditions, from asthma and diabetes to stroke and yellow fever.

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

Our vision and mission

Our vision is the best possible health and healthcare for everyone. As the leading body for physicians in the UK and internationally, we work to achieve our vision by:

- > influencing the way that healthcare is designed and delivered
- > promoting good health and leading the prevention of ill health across communities
- > supporting physicians to fulfil their potential.

Our values

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



Public benefit

The Royal College of Physicians (RCP) was established by royal charter from King 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.



Forewords



Professor Andrew Goddard, RCP president

As I write this the NHS and RCP are in the midst of the COVID-19 pandemic. It seems rather odd to focus on last year in such circumstances, but remembering that the RCP has been around for 501 years and will return to 'new normal' business means we must lose as little momentum as we can and build on the learning from the pandemic in terms of teamwork, flexibility, change of practices and compassion.

To me, the major achievements of 2019 have been in our core business – education, standards and supporting the profession. Our Education Department has gone from strength to strength and the success of the national physician associate exam, new credentials and the online mental health and wellbeing resource are good evidence of this. The increased number of applications for our chief registrar scheme highlights the importance of clinicians in shaping healthcare services locally and nationally, particularly as the NHS 'resets' in the wake of the pandemic.

We have reached 37,000 members and as we move towards a new strategy they are as engaged as ever. The Spine building in Liverpool has 'topped out' and will be open for business before our next annual report. We are more physician-centric and less London-centric than ever before.

We remain the go-to voice for standards in medicine both in the UK and globally. My favourite quote of the year is from the *Sunday Times*: 'The RCP is the leading medical organisation in the UK'.

We would not have achieved what we have without the work and support of our members and staff. Thank you to all of you for a successful year. It is your absolute dedication that reassures me we will get through this year and all the challenges it brings.

'We would not have achieved what we have without the work and support of our members and staff'



Forewords



Professor David Croisdale-Appleby, chair of Board of Trustees

The first year of my tenure as chair of the Board has been one of seeing the RCP encounter and overcome many challenges – some anticipated, others unforeseen. The development of RCP North is a major innovation in the RCP's history: a visionary and complex project which has progressed strongly through the year. The RCP has been very prudent in ensuring the necessary resources were in place for such a venture, one that will serve to make it even more accessible to its membership in the future.

Under the inspirational leadership of our president and our chief executive, I have seen the RCP further strengthen its global reputation for thought leadership in quality standards in medicine at a time when, as never before, such leadership has been essential to support our members during the global pandemic.

It is a privilege to chair our Trustee Board, working with such distinguished colleagues to ensure that our governance is of the highest order. The RCP will emerge from the pandemic positioned to extend and deepen its leadership of the profession.



Dr Ian Bullock, chief executive

The phrase 'for such a time as this' is one I have heard used frequently in relation to COVID-19. In thinking about the RCP's role and responsibility to our members, staff, stakeholders and wider collegiate community, I feel immensely proud of our continued leadership and clear voice on difficult and challenging issues, exemplified by the current pandemic.

This annual report demonstrates that the RCP is a thought leader, a respected professional body with global reach, capable of influencing government and shaping professional thinking. The key to a successful organisation is to evidence how you add value. The highlights in this report illustrate how we are delivering our mission to achieve the best possible health and healthcare for everyone, through education, influence and improvement.

On a personal note, my goal is to continue to create the conditions for our staff, members and fellows to excel in their work and to live the values of the RCP: to take care in the way we work and support each other, to embed learning and to promote collaborative working.

Annual reports provide a great opportunity to celebrate achievements, but also, crucially, to signpost to the future. With this in mind, we are about to move beyond our 2015–20 strategy to a new and exciting strategic development. Opening in 2021, RCP at The Spine embodies our commitment to one college located in two main sites, supported by our regional offices. We look forward to continuing to grow our influence, to build on our history and use our resources and expertise to improve healthcare in the UK and across the globe.

Report of trustees

Report of trustees

The trustees of the RCP are pleased to present their annual report for the year ended 31 December 2019. The report is based on the five strategic areas and presents our activities, significant achievements and successes in 2019 against our plans, as well as outlining our strategy for the future.

Our 5-year strategy covers the period 2015–20 and is set out under five key areas:

- 1 Improving care for patients
- 2 Developing physicians throughout their careers
- 3 Leading and supporting our members
- 4 Shaping the future of health and healthcare
- 5 Investing in our future, building on our heritage

The Federation of the Royal Colleges of Physicians

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 colleges represent more than 50,000 physicians worldwide.

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

- continuing professional development (CPD)
- examinations (Membership of the Royal Colleges of Physicians of the UK – MRCP(UK), specialty certificate examinations and international clinical examinations)
- training (Joint Royal Colleges of Physicians Training Board – JRCPTB).

Highlights of Federation activities are included in this report.



1

Improving care for patients

We want patients to receive the best possible care. We work directly with physicians, clinical teams, hospitals and policymakers to design person-centred services, and involve patients and carers to help shape best practice.

Our key achievements

Supporting service improvement

The chief registrar programme has recruited 182 physicians since its launch. This highly valued scheme, now in its fourth year, supports doctors in training to lead clinical service quality improvement in their organisations. So far, 67 NHS trusts have supported the programme and increasing numbers are requesting places on the next cohort.

Our Patient Safety team continued to support learning in organisations from case record review, the implementation of the National Early Warning Score (NEWS2) to identify the sickest patients, and worked with other national organisations to give guidance on areas for safer care including the use of medicines, and a national syllabus for patient safety.

Our audit and accreditation teams supported services to deliver excellent patient care. In 2019, we:

- > delivered 22 training days to support clinical teams to achieve service accreditation as well as 7 days for assessors
- > produced four videos describing the benefits of accreditation
- > brought together over 20 lay assessors in June 2019 to network, share skills and co-design guidance
- > continued to roll out the National Endoscopy Database which enables quality assurance in endoscopy and provides a central store of key endoscopy data
- > published guidance on managing underperformance in endoscopy and supporting individuals with improvement
- > delivered five workshops for teams participating in the asthma, COPD and pulmonary rehabilitation audits to help them use the audit data to improve care
- > developed and launched a falls and fragility fractures education programme for trainees, including teaching days and peer support from a fellow.

Our objectives

In 2019, we planned to:

- > support physicians and multidisciplinary teams to lead quality and service improvement
- > set, measure and promote standards that improve care for patients
- > implement our vision of the future hospital and promote good practice in health service design
- > develop health services that promote patient safety, patient experience, staff wellbeing and service improvement.

‘I’ve seen first-hand how accreditation can make a real difference in improving clinical services and I’d recommend it to fellow clinicians. The professionalism and support from the RCP team has had a positive impact on our experience and helped us achieve high standards of care.’

Dr Claire Bethune, clinical lead for Quality in Primary Immunodeficiency Services Accreditation programme and consultant immunologist at University Hospitals Plymouth NHS Trust



We held a series of breakthrough collaboratives to support multidisciplinary teams with quality improvement on a number of topics, including inflammatory bowel disease, smoking cessation, preventing secondary fractures, and diabetes.

The quality improvement (QI) faculty delivered effective coaching support to project leads for clinical teams working on improvement projects across the UK. Our national learning webinars focused on improvement methodology, engaging with national and international speakers.

Setting standards

Our National Guideline Centre published eight new NICE guidelines on a wide range of topics: renal and ureteric stones, hyperparathyroidism, suspected neurological conditions, diverticular disease, thyroid disease and end-of-life care; as well as updates on stroke and transient ischaemic attack, and hypertension in adults.

We supported NHS and medical societies by working together with the North East London Commissioning Support Unit, the UK Primary Immunodeficiency Network, British Society for Immunology and British Society of Gastroenterology.

We carried out a rapid evidence review for a Public Health England (PHE) national report on the dependence, discontinuation or withdrawal symptoms associated with prescribed medicines.

Clinical Audit Awareness week in November promoted the benefits of audit and quality improvement work in healthcare. Our three national audit programmes and five accreditation schemes continued to drive improvements in patient care. In 2019, we published audit reports on inpatient falls, pulmonary rehabilitation and children and young people's asthma.

We produced updated accreditation standards for allergy and immunology services and issued 680 certificates to trainees in endoscopy, to mark them as competent in endoscopic procedures. We also supported 32 pulmonary rehabilitation services and 52 liver services towards meeting the standards for accreditation.

The Federation of the Royal Colleges of Physicians published the second *State of physicianly training* report. It compares datasets across the physician specialties and identifies some major themes affecting specialty training experience, including rota gaps in acute medicine, an imbalance of general internal medicine service delivery, and commissioning and redesign of services.

Through Federation, we performed several annual reviews of competence progression (ARCP) and accreditations internationally across internal medicine training partner sites in Wayanad, Dubai, Trivandrum and New Delhi.

Our vision of the future hospital and health service design

We continued to support the 11 principles of patient care published in the Future Hospital Commission report of 2013, and showcased the progress in care delivery that has continued to advance at Future Hospital Programme sites 3 years after the programme ended.

Our Patient and Carer Network (PCN) played an integral role in sharing and promoting the message across the RCP that these principles must be at the forefront of our work. The involvement of PCN members in committees, projects, boards and activities across the RCP was crucial to facilitating this goal.

Recognising that digital technologies will transform the way care is delivered in the future, we appointed Dr Wajid Hussain as our first ever clinical director for digital health. We created a digital strategy, which focuses on supporting members with digital health education, networking, representing our views to external partners and efficiently using digital tools ourselves to help deliver our core aims. The COVID-19 pandemic has reinforced the need for the RCP to move to a digital first strategy, reflecting many of the changes affecting our members.

‘[Thanks to Anna] we have achieved more clinical transformation in the last month than perhaps in the last 5 years ... she is an example of the value of the chief registrar scheme, which has undoubtedly allowed the development of the next generation of clinical leaders.’

Dr Timothy Ho, medical director, Frimley Health NHS Foundation Trust re Anna Forbes, RCP chief registrar and nephrology trainee

Developing health services

Our quality improvement team (RCPQI) supported organisations throughout 2019 to find alternative solutions to existing and intractable challenges, using us as a support and guide. This included engaging with staff and patients at Surrey Heartlands Health and Care Partnership to articulate and develop future working models for outpatient services, using a systems engineering approach developed with the Royal Academy of Engineering and other partners.

The Quality in Primary Immunodeficiency accreditation programme refreshed the standards that services are required to meet to achieve accreditation. Key to updating the standards was engagement with patient groups who told us about the impact of their condition and what a quality service means for them. These patient insights helped us to finalise the evidence requirements for new standards, which were launched in December 2019.

Medical Care, the RCP's online guide to service design was used by 27,000 people in 2019. The website (www.rcpmedicalcare.org.uk) covers 29 medical specialties.

Through our work with Federation and working in conjunction with NHS Employers and the GMC, we monitored the new general internal medicine (GIM) and acute internal medicine (AIM) quality criteria against national training survey data criteria. We also implemented the new internal medicine training (IMT) in August 2019. We made improvements to the ePortfolio to accommodate the new IMT progress of summary and educational supervisor report (ESR).

Tackling obesity in St Helens

In January 2019, the RCP called for obesity to be recognised as a disease. As well as encouraging prevention, treatment and greater empathy with patients, we want to see a change to public discourse about obesity, so that those with the condition are no longer blamed for it.

Recognition of obesity as a disease will enable the creation of formal healthcare policies to improve care for patients and so that significant preventative measures can be put in place.

In July, we were invited by St Helens Council to help find a new solution to the high and rising rates of obesity within its borough. Working with partners from the Cambridge Engineering Design Centre and AQUA, RCPQI facilitated a process that took all elements of the healthcare system into consideration to explore solutions with wide-ranging and lasting impact. Our RCP Patient and Carer Network members' own stories and lived experience set a vital background for our discussions.

We spent time with the residents of St Helens to understand their influences and realities. These conversations significantly shifted how local leaders viewed the issue of excess weight and how to tackle it.

In 2020, we plan to continue to work with St Helens Council and its communities to find a resident-led solution to the obesity health challenges, and link with other local authorities taking this approach.



Our work in numbers



**8 new NICE
guidelines produced**



**182 chief registrars
recruited since the
launch of the scheme**



**650 endoscopy
procedure certificates
issued to trainees**

Looking forward

We will carry out the following activities:

- > develop our Patient and Carer Network in 2020 and offer a range of patient and public involvement across workstreams, including exploring patients as partners in improvement
- > expand the chief registrar scheme and facilitate a network of alumni
- > deliver a regular and varied programme of breakthrough series collaboratives
- > continue oversight and implementation support for NEWS2
- > deliver a new project to improve medications safety
- > deliver national clinical audit programmes to drive improvement in COPD and asthma care, falls and fragility fracture care
- > deliver seven workshops in various locations throughout the UK for clinical teams participating in our national clinical audits
- > increase the number of services registering and gaining accreditation in endoscopy, liver, allergy, immunodeficiency and pulmonary rehabilitation by developing new and enhanced engagement activities to support services
- > curate case studies from services that have gained accreditation, sharing their learning and practice to support frontline clinicians with the process
- > hold equality and diversity events to form part of our Equality Impact Consultation Assessment
- > in consultation with the four nations' training agencies and trainee representatives, publish guidance on physician training recruitment following the introduction of the new internal medicine curriculum
- > develop and support our physicians as leaders working with multidisciplinary teams to deliver high-quality care within trusts and across systems during the recovery from COVID-19, building on best practices developed during the pandemic
- > support the ongoing development of physician leaders delivering national quality improvement programmes such as 'Getting it Right First Time' (GIRFT) and NHSE in delivering the Long Term Plan as we rebuild the NHS post-pandemic.

2

Developing physicians throughout their careers

Our education and training programmes support physicians to fulfil their potential. We develop doctors to deliver the best possible patient care and become excellent clinicians.

Our key achievements

Shaping the medical workforce

Eight UK regions took part in our pilot of the flexible portfolio training (FPT) programme. This joint initiative with Health Education England (HEE) and Health Education and Improvement Wales (HEIW) aims to address the shortfall of medical registrars and improve the overall training experience in hard to recruit areas.

We worked with the clinical community and NHS England to develop a post-CCT credential in obstetric medicine.

We created learning resources and provided 'train the trainer' workshops to support implementation of the internal medicine curriculum, both nationally and internationally.

Our Patient and Carer Network helped to shape the future of the physician associate role through the Faculty of Physician Associates Board and Schools Council. We also delivered new physician associate leadership programmes in Liverpool.

Through our work with the Federation of the Royal Colleges of Physicians, we supported successful implementation of the internal medicine stage 1 curriculum from August 2019. We are continuing to develop a number of communication tools and resources to assist trainers and trainees as part of the curriculum implementation.

Our objectives

In 2019, we planned to:

- > **shape the future of the medical workforce in the UK**
- > **promote high-quality medical education and clinical leadership across the world**
- > **promote lifelong learning for physicians, and accessible opportunities for development**
- > **support physicians throughout their careers**
- > **promote medicine as a career.**

'I have learnt a huge amount about leadership styles, approaches to problem-solving, optimising individuals within a team and how to work with others to plan and strategise.'

Dr Shuli Levy, consultant geriatrician and participant on the Emerging Women Leaders Programme



High-quality education across the world

Our international work aims to improve medical standards across the globe. We delivered a range of education and leadership programmes to cross-specialty clinicians at the Lahey Clinic in Boston, USA, as well as a biannual programme of workshops in partnership with the Swiss Institute of Medical Education. And in Iceland, our ongoing faculty development programme continued to develop a faculty of clinician educators.

We supported the delivery of oncology training at the East African Development Bank Medical Training and Fellowship programme in Tanzania. The programme trains doctors to undertake acute triage and manage urgent symptoms of cancer.

Several clinical training courses were delivered in 2019, including a palliative care course in Lahore. Palliative medicine is not a recognised speciality in Pakistan and together with colleagues in the Association of Palliative Medicine, we are supporting our members there to petition for it to become recognised. We supported a number of other specialty courses: rheumatology in Ghana, neurology in Rwanda and oncology in Kenya, Tanzania and Uganda.

To forge global links, we held our first joint meeting with the presidents of the Hong Kong College of Physicians and Royal Australasian College of Physicians.

Over 3,200 exam candidates passed MRCP(UK). To increase worldwide access to MRCP(UK) exams, we opened new exam centres in Hyderabad, New Delhi, Nairobi, and Ajman Yangon UM2. We prepared all programme workstreams for the launch of PACES 2020 and implemented an equality and diversity module as standard training for PACES examiners.

We successfully embedded new pan-European examinations: the European Specialty Examination in Nephrology (ESENeph), the European Specialty examination in Gastroenterology & Hepatology (ESEGH) and the European Board Examination in Endocrinology, Diabetes and Metabolism (EBEEDM).

We achieved greater engagement with the CPD scheme with 20,000 CPD diary users and 9,500 users of the Physicians' CPD app. We also supported the Faculty of Physician Associates to adopt the CPD diary scheme for its membership with 1,300 physician associate users of the platform.

A successful international development day resulted in four potential partnership opportunities with the CPD scheme. We also created a website aimed at acquiring international business for CPD.

Promoting lifelong learning

We delivered workshops on how to manage complexity, risk and uncertainty – areas identified as essential learning to support effective decision making in everyday practice, with critically acclaimed feedback.

In April we launched the RCP Medicine podcasts. Hosted by doctors, this series of lively and engaging discussions on different topics has amassed over 60,000 plays and is available via Soundcloud, Spotify, Google Podcasts and Apple Music. Each podcast has received around 2,500 listens.

We increased our online learning offer with the successful launch of a course on 'Breaking bad news', which we have made freely available to members.

The Medical Training Initiative offers international medical graduates the opportunity to come to the UK and receive high-quality, specialist training that may not be available in their home country. In return, the NHS benefits from a source of RCP quality-assured frontline clinicians who bring experiences and innovations from other healthcare systems. In 2019, 186 MTI applications were approved to undertake placements in NHS trusts.

To increase the number of clinicians able to participate in professional development workshops, we delivered these on multiple occasions and in different locations: our bases in London and Liverpool, in trusts and health boards, and at conferences. Some are delivered overseas. The workshops are tailored to the expected audience in each location. Access to professional development is also supported through an expanding portfolio of online learning courses.

'The course is structured to encourage discussion and collaboration. It was great to engage with like-minded colleagues with a similar passion for education.'

Dr Mayur Murali, anaesthetic registrar and student on the RCP/UCL MSc in Medical Education



Supporting physicians throughout their careers

Over 900 delegates attended our flagship award-winning annual conference, Medicine 2019, which took place in Manchester. Headline speakers included Baroness Dido Harding and health secretary Matt Hancock. The conference explored the latest cutting-edge developments in healthcare and how to improve patient care. It was attended by physicians from across all medical specialties with over 70 speakers who presented on a diverse range of topics, including improving junior doctors' lives, mental health, WhatsApp in the NHS, and digital health.

We delivered training for three cohorts of the chief registrar scheme for senior trainees; two cohorts for the second year of the Emerging Women Leaders Programme; and piloted a successful new workshop programme for senior doctors at director level. The Education Department continues to look for new and innovative opportunities to support physicians at all stages of their careers.

Promoting medicine as a career

We promoted the RCP and medicine as a career at a number of job events throughout 2019.

To entice young people into studying medicine, we hosted small groups of 5–10 enthusiastic local secondary school students, who enjoyed a tour of the RCP building followed by a talk about medicine as a career. We received very positive feedback from all involved.

Emerging women leaders

In June we celebrated the successful completion of the first cohort of the Emerging Women Leaders Programme. This year we awarded 12 fellowships, generously funded by the Lord Leonard and Lady Estelle Wolfson Foundation, to female doctors to undertake a programme of leadership, reflection and peer support.

The aim was to address the under-representation of women in healthcare leadership roles and to develop and encourage their next steps. During the year, programme sessions focused on:

- › exploring personalities using the MBTI tool
- › bespoke teaching on personal impact, influence and resilience
- › listening to keynote speeches from many esteemed female leaders
- › receiving personal mentoring from senior female leaders
- › supporting each other through action learning sets and professional network development.

At the celebration event, the fellows presented their achievements for the year, as well as their plans for the future. We are delighted that every participant has taken further leadership roles as a result of the support that they have received from both the RCP and their peers. The programme continues to expand in 2019–20 with 24 participants.



Our work in numbers



12 women completed the first year of our Emerging Women Leaders Programme



Over 3,200 candidates passed the MRCP(UK) exam



Our Medicine podcasts were listened to 60,000 times

Forward

- ▶ launch our programme onboarding to leadership: supporting diversity, for aspiring leaders who want to work towards greater diversity in the leadership of healthcare organisations
- ▶ launch the Gender Identity Healthcare programme to support the NHS-commissioned expansion of this multidisciplinary workforce
- ▶ introduce more funded online programmes on topics such as having effective conversations with patients about challenging matters such as smoking cessation and obesity
- ▶ increase our senior leadership programmes with one for medical directors and a residential international senior leadership course
- ▶ develop RCP Revise™ (modern revision products for exam candidates) with an expansion of the portfolio to include taught PACES revision courses
- ▶ submit new specialty curricula for 29 specialties to the GMC curriculum advisory group for approval
- ▶ implement PACES 2020 in September
- ▶ following successful pathfinders, launch the delivery of PACES exams in new centres in Jamaica, Pakistan and India
- ▶ facilitate UK training for up to 300 international medical graduates through the Medical Training Initiative
- ▶ expand the range of approved digital learning to include e-platforms, e-libraries and podcasts. This will increase support for physicians, by providing them with more options for accessing Federation-approved high-quality CPD
- ▶ continue to work with prospective partners to offer international CPD services
- ▶ explore the potential to link the trainee ePortfolio with the CPD diary
- ▶ launch an online mental health and wellbeing resource for doctors.

3

Leading and supporting our members

We lead the profession by supporting and inspiring our members to meet the challenges of practising medicine today. Our members are our greatest asset – we listen to, support and learn from them.

Our key achievements

Leading the profession

Our Invited Service Reviews provide support and recommendations to healthcare organisations that require independent and external advice. Having built a strong reputation, 2019 was the busiest year yet for the service. We conducted a range of reviews from small-scale clinical records to full-scale visits to NHS trusts. We also held an event for medical directors to share learning and experience from challenging situations.

Following a tireless campaign for the regulation of physician associates (PAs), we were delighted that the General Medical Council (GMC) was announced as the statutory regulator in 2019. We now look forward to working with the GMC to expedite the regulation process so that consultation on prescribing responsibilities for PAs can begin.

In October, the Faculty of Physician Associates (FPA) held 'Physician Associate Week' to raise the awareness and visibility of the profession. We were overwhelmed with contributions to a poster campaign highlighting the love for the profession and how PAs support the NHS. The FPA also launched its first PA leadership programme, funded by Health Education England (HEE), and delivered from RCP North by a team of experienced medical educationalists and NHS doctors.

We held over 120 committee meetings, made over 400 responses to consultations and published key guidance through our working parties, including an update of *Consent and confidentiality in genomic medicine*.

The Federation of Royal Colleges of Physicians launched 'PACES Champions Awards' to honour individual commitment to clinical examinations.

Our objectives

In 2019, we aimed to:

- > lead the medical profession and champion medical professionalism
- > increase our reach and relevance to all our members
- > support our members in their daily practice
- > deliver an exceptional membership experience for all
- > increase our understanding of the context in which our members work in the UK and around the world.

'Join and attend the regional events – they're really useful and perfect for making contacts within the profession who are local to you.'

Dr Sarah-Jane Bailey, ST6 registrar in geriatrics and general internal medicine



Increasing our reach and relevance

Our membership went from strength to strength as we welcomed our 37,000th member in 2019.

Our regional network delivered events and conferences across England, Wales and Northern Ireland, reaching over 11,500 delegates (up from 10,000 in 2018). Our regional conferences are extremely popular: 98% of delegates would recommend them to a friend. We continued to look for ways to improve the delegate experience, encouraging speakers and delegates to play an interactive part in proceedings.

We hosted our fourth annual Excellence in Patient Care Awards to recognise, celebrate and reward the outstanding work to improve patient care in the UK and beyond, covering pioneering projects in education, clinical practice and research. Entries included not only physicians, but also multidisciplinary healthcare professionals, and most importantly, patients and carers. The winners are listed on p36.

We also held a number of conferences tailored to specific audiences, including a CPD conference for PAs with over 600 attendees. Our national conference for college tutors and associate college tutors saw over 140 delegates and included an excellent keynote speech by Professor Sheona Macleod from Health Education England on supporting trainees and enhancing the educational environment.

To support clinicians across the globe, the RCP had a physical presence in over 30 countries in 2019, delivering educational activity, sharing best practice and engaging with our members. We continued to provide support to the East, Central and Southern Africa College of Physicians (ECSACOP) which enrolled its second cohort of trainees onto a training curriculum. We have also been delivering training to clinical supervisors in the region and supporting ECSACOP to prepare for delivery of its first examinations in July 2020.

In October 2019, a delegation of the ECSACOP leadership team visited the RCP London and Liverpool offices and met with RCP teams and specialist societies, observed a PACES exam and participated in the RCP's Physicians for Africa fundraising event.

Supporting our members

A record number of members attended our regional updates, and we connected with trainees through the new Turner-Warwick lectures. We acted as a nominating body providing support in the 2019 round of national clinical excellence awards.

We published guidance about later careers, which focused on stemming the drain of expertise and skills from the profession. On the same topic, our 'Stopping the exodus' conference demonstrated the benefits of flexible working throughout a medical career and into retirement. Information from this will form a flexible working toolkit.

Our Advisory Appointment Committees support consultant appointments with quality assurance of job descriptions and provision of RCP representatives for appointment panels. In 2019, we supported 520 appointments and reviewed over 800 job descriptions. We also kitemarked 96 job descriptions in our new quality indicator scheme.

We launched the FPA's new personal and professional development toolkit. A practical tool to structure the content of a PA portfolio, it standardises documentation for appraisal and evidencing CPD, competencies and capabilities.

We improved the RCP Library's 'Discovery portal' to help members access hundreds of electronic resources, including ebooks, ejournals and databases, with more than 941,000 member views of individual articles and ebooks during the year.

Delivering an exceptional membership experience

We built upon research to improve our understanding of members, by making our communications more consistent. Reader rates have improved as a result.

New member initiatives included offering reduced membership fees for less-than-full-time trainee doctors. We now plan to roll this out to SAS and locally employed doctors. Issuing rainbow lanyards to our Trainees Committee members highlighted our commitment to equality, diversity and inclusion, and provided a talking point for their roles as a conduit to the RCP. In September, on our 501st anniversary, we launched our first 'Membership Week', to share the benefits of being part of our community of physicians.

We continued to engage with our members around the world through our network of international advisers. International member networking events included one hosted by our president as part of the American College of Physicians conference.

We hosted PA awards at the FPA conference, providing an opportunity for people to recognise and reward the hard work of their peers. This year we had an unprecedented number of submissions for each category. The winners are listed on p36.

Online readership doubled for *ClinMed* and tripled for *Future Healthcare Journal* during the year. The journals' followers on Twitter increased by over 65% as a result of better and more frequent engagement with editorial board members and readers. We enabled members to opt out easily from print publications, in line with the RCP's sustainability agenda and our move towards 'online first' publishing.

Our member magazine, *Commentary*, continued to shine a spotlight on wider issues concerning healthcare and vulnerable patient groups, with articles on human trafficking, the health of veterans and homeless patients. It also featured interviews with leading figures, including chief medical officer Dame Sally Davies, HEE chair Sir David Behan, and RCGP chair Professor Helen Stokes-Lampard.

Increasing our understanding

Our Medical Workforce Unit works closely with specialist societies, HEE and the GMC to help shape workforce planning. We captured the voice and experiences of physician and PA workforces through our censuses and snapshot surveys on key issues. We also undertook a programme of smaller scale surveys on ward rounds, retirement and pensions, and wellbeing.

In October, the results of our 2018 census of consultant physicians and higher specialty trainees achieved coverage in a number of national news outlets, highlighting that some areas of the country were so severely 'under-doctored' that patient lives could potentially be at risk.

We published the results from the latest CCT progression survey, a collaboration with JRCPTB. This looks at the experience of people within 1 year of attaining the CCT (certificate of completion of training) and has monitored changing outcomes since 2009.

Our regional advisers and committees helped to ensure we have a clear picture of the context our members work in, as did our president's visits to NHS trusts and interaction with members during open forums at regional events throughout the year.

Our network of 60 international advisers working in countries around the world kept us informed of the healthcare context in those countries and the ways in which we can support them to deliver excellent care to patients.



The Turner-Warwick lecturer scheme

The Turner-Warwick lecturer scheme is a platform for the outstanding work and research being carried out by medical trainees around the UK. Launched in 2019, this flagship scheme celebrates the life and achievements of the RCP's first female president, Professor Dame Margaret Turner-Warwick, by offering a unique opportunity for trainees.

Traditionally, lectures at our regional update in medicine conferences have been delivered by consultants from within the region and the surrounding areas. The Turner-Warwick scheme allows us to appoint a lecturer from trainee applicants in each of the 15 regions. With trainees making up a large proportion of the medical workforce, it's important that their work and research is given support.

Lectures should be of educational value to a general medical audience and many were research-focused,

with topics ranging from 'Enhancing medical registrar training and morale' to 'Polio India story: A testimony of indomitable spirit and unflinching resolve'.

Winners have embraced the opportunity to present their research in a formal setting, saying it has allowed them to build confidence, make contacts and raise the profile of their research.

'I applied to the Turner-Warwick scheme because I hoped to share some of the work I have been involved with during my PhD in a forum of physicians of all stripes.'

Dr Ayodele Sasegbon, University of Manchester – overall winner of this year's Turner-Warwick lecturer scheme with a lecture on neurostimulation and its emerging role in dysphagia recovery post stroke



Our work in numbers



**We reached
37,000 members**



**11,500 delegates
attended our
regional events**



**600 physician
associates attended
our CPD conference**

Looking forward

Our key priorities for 2020 include:

- enhancing our membership communications and benefits and implementing 50% of our membership campaign to reach 38,500 members by the end of 2020
- developing a strategy to increase our international membership to 25% within the next strategy period
- delivering the Excellence in Patient Care Awards, including developing a sponsorship strategy for 2021
- increasing the rate of fellowship acceptance and embedding a continuous improvement programme
- delivering a tailored CPD offer in each region with an overall target of 12,000 delegates
- supporting PAs to prepare for regulation, working with HEE and the GMC, and increasing PA membership to 2,000
- supporting the development of ECSACOP and fundraising activities for Physicians for Africa
- supporting membership engagement and promotion of the RCP through a series of conferences and events around the world
- understanding the context in which our members work and wider workforce issues by carrying out our annual census and surveys covering different areas
- continuing the job description approvals and AACs service for recruiting trusts, and rolling out e-learning courses on equality and diversity and interviewing skills to AAC college representatives
- supporting RCP constitutional and governance issues, including delivering elections and officer appointments
- delivering high-quality responses to consultations from bodies including NICE and NHS England
- supporting networks of physicians by working with specialist societies, across UK regions and career grade groups and committees
- supporting trusts to improve professionalism through our invited service reviews, and bringing medical directors together to share learning
- establishing a working party on pharmacogenomics in the NHS, revising a working party report on oral feeding difficulties and dilemmas and developing UK guidelines on the diagnosis of fibromyalgia syndrome
- assessing the library and information needs of members and developing collections to support them.

4

Shaping the future of health and healthcare

Our 37,000 members and their patients are central to shaping the RCP's ambitious vision for the best possible health and care for all. Throughout 2019 we continued to promote, advocate and campaign on the issues that we know matter most to them.

Our key achievements

Using expertise and experience to influence healthcare

Supporting the development of a sustainable workforce for the UK is a core policy priority for the RCP. During 2019 we engaged with the development of the NHS People Plan, sharing our workforce asks and evidence with each of the theme leads. The interim plan highlighted the need to consider an expansion of medical school places and the Medical Training Initiative. We have now set up a reference group to deliver a green paper on medical school expansion in 2020.

Our work helped to shape the NHS Long Term Plan with a clear recognition of the need to rethink the approach to outpatient services. We also saw the government agree to regulate physician associates and select the GMC as the regulator of choice.

Social media has fast become an important means of sharing news, as well as a valuable way to engage with our communities. The number of followers of our main Twitter, Facebook and LinkedIn accounts increased by more than 20% and had high rates of engagement. A particular focus on LinkedIn saw an almost 150% rise in followers. Our new campaign 'This Doctor Can' promoted our commitment to equality and diversity, with blogs by doctors from all backgrounds sharing inspiring journeys in medicine.

We launched www.rcpjournals.org, a mobile-optimised new home for the RCP journals. It allows us to publish articles online ahead of print and to group articles from both *ClinMed* and *FHJ* together by subject. Online readership of our journals grew dramatically during the year with article downloads topping 100,000 a month.

Our objectives

In 2019, we planned to:

- > use the expertise of physicians and the experience of patients to influence the future of healthcare, from parliaments to wards
- > improve the public's health by championing evidence-based action to prevent ill health, nationally and internationally
- > foster innovation in health and promote research
- > ensure that patients' and carers' experiences shape everything that we do.

'As members of the RCP's Patient and Carer Network ... I'm confident that through our meaningful participation, we can, and do, have real influence on how care is delivered.'

Lynne Quinney, interim chair of the RCP Patient and Carer Network



We produced over 60 publications, among them a highly regarded acute care toolkit for pregnant patients and updated guidance on consent and confidentiality in genomic medicine.

We increased our profile in parliament and with stakeholders, ensuring that the views of our members are heard. Despite Brexit dominating the political agenda in 2019, we managed to increase the RCP's parliamentary mentions, and were quoted on a wide range of issues from workforce shortages and medicinal cannabis, to air quality and the NHS overseas charging regime.

Our engagement ranged from roundtable events with health secretary Matt Hancock and chair of NHS Improvement Baroness Dido Harding, to attendance at Conservative and Labour Party conferences where we held joint events with the BMA. We also welcomed a large group of members of the House of Lords to our annual peers breakfast. These flagship events were supported by meetings with MPs and other stakeholders.

Ensuring that patients shape everything that we do

Patients and carers offer a unique perspective and a vital contribution to supporting and influencing improvements in healthcare. In 2019, members of the RCP Patient and Carer Network (PCN) contributed around 2,000 voluntary hours to RCP committees, projects and working groups. This included supporting the annual conference Medicine 2019, involvement in quality improvement and patient safety work and the RCP chief registrar scheme.

The PCN is represented on the National Early Warning Score 2 (NEWS2) Independent Advisory Group, a group working to promote the effective and consistent implementation of this vital tool for identifying patients at risk of clinical deterioration, including sepsis. Early in 2019, PCN members were instrumental in informing the design of a public information poster on NEWS2 that will be displayed in hospitals throughout the country.

The Quality in Primary Immunodeficiency accreditation programme engaged with patient groups to refresh the standards that services are required to meet. Patients told us about the impact of their condition and what a quality service means for them. These crucial insights helped us to finalise the evidence requirements for new standards, which were launched in December 2019.

Improving public health

Our work on public health continued to shape the policy agenda, with NHS England committing to improving hospital smoking cessation services and the government's Clear Air Strategy implementing several of our recommendations. As members of the Obesity Health Alliance and Alcohol Health Alliance we helped to develop a collective approach to tackling these issues.

We supported the new advisory group on reducing inequalities in health and wellbeing to build its membership, hold three meetings, conduct a survey and develop an action plan. Professor Sir Michael Marmot became special adviser to the group, which adopted a framework based on his health equity work. The group's action plan will result in a strategy for the RCP in 2020.

We received widespread coverage of our response to the government's green paper on preventing ill health, including in the *Guardian* and *Financial Times*. Our president expressed his disappointment at the paper's 'dearth of imagination' and said that making sure people stay healthy is 'too important to be a political football'.

Air quality was the subject we were most quoted on in the media in 2019. We wrote a joint letter with the Royal College of Paediatrics and Child Health, which was published in the *Telegraph*. And another joint letter – on indoor air pollution and to the environment secretary – was quoted in the *Times*. Our president took part in a UK Health Alliance on Climate Change cycle ride through London to highlight the impact of air pollution.



Fostering innovation

We launched *Delivering research for all*, a statement endorsed by 16 organisations, calling on NHS trusts to support every clinician to become research active. We also published *Benefiting from the 'research effect'*. Endorsed by 21 organisations, it outlines how NHS trusts and health boards can enable clinicians' time for research and innovation. We began work with the BMA to develop viable models to protect time for patient-facing research. We also started work with UKRD to highlight practical examples of how research activity can be embedded in trusts.

Our commitment to ensuring the RCP has a workforce reflective of modern Britain was captured by the launch of an independent review. We commissioned equality and diversity champion Ben Summerskill, formerly of Stonewall UK, to review the RCP's workforce, including elected officers and volunteers. Interviews with a diverse range of fellows, members, staff and volunteers were carried out alongside feedback from more than 1,800 survey respondents. The report and recommendations will be published in 2020.

On staff engagement, we held workshops with RCP staff to form the basis for an improvement strategy. We began by launching Parklife Weekly, an all-staff e-newsletter promoting key messages, celebrating success and welcoming new starters. We also responded to feedback on our all staff meetings, revising their format so that staff feel more engaged.

Dr Wajid Hussain, the RCP's new clinical director for digital health, introduced a series of articles in *Commentary* magazine exploring the potential and regulation of AI and its implications for physicians.

On genomic medicine in the NHS, we supported a statement published by the Academy of Medical Royal Colleges, advocating a set of 10 key principles. In the RCP's response to the Prevention Green Paper, we outlined our support for the government's ambition on genomics.

Setting the health agenda

2019 saw the RCP setting the agenda and triggering debate on a number of key health topics. This tumultuous year in politics meant our reputation and relationships with journalists came into its own. Close coordination of communications, campaigning and public affairs work also paid rich dividends.

In January we launched our call for obesity to be recognised as a disease. The issue was debated in the following weeks in newspapers, on radio and even ITV's Good Morning Britain.

Our announcement that we would be surveying our UK members on the law on assisted dying propelled us into another national debate. The fact that it became front-page news and worthy of mentions in parliament, was testament to how much RCP opinion counts. Reflecting our members' diversity of views, we changed our position to neutral from one opposing a change in the current law.

In August we wrote to the prime minister on Brexit. The letter, signed by 16 health organisations, asked for the NHS to be considered at the highest levels of the government's decision-making. It ran as an exclusive on the BBC News at 6, followed by almost a hundred other national and regional news outlets. We also worked exclusively with BBC Newsnight on a story highlighting the likelihood of there not being enough flu vaccines in the event of a no-deal Brexit, which featured an interview with our president.

We finished the year by being the first medical royal college to launch our general election manifesto setting out a clear vision for a health and social care system, which, along with a front-page story in the *Independent*, helped place the NHS at the heart of the general election.



Our work in numbers



Over 12,000 people contributed feedback to our surveys on winter pressures, assisted dying, equality and diversity, and barriers to providing good care



17 doctors shared their diverse stories through our 'This Doctor Can' campaign



Over 105,000 people engaged with us on social media

Looking forward

Our key priorities for 2020 include:

- > supporting the implementation of the new RCP strategy and operational plans, including a unified marketing and communications approach
- > publishing Ben Summerskill's independent review of equality and diversity at the RCP and managing the work of a new equality, diversity and inclusion work stream
- > continuing to develop and implement our comms strategy for RCP at The Spine
- > helping to plan and deliver the annual conference, now postponed to January 2021, ensuring it is a platform for high profile promotion of key RCP policies and activities
- > engaging with our members to define and deliver the policy priorities and campaigning that they say matter most to them, including workforce, research-led health policy, integrated and people-centred care and health inequalities
- > leading on political and stakeholder engagement, coordinating an annual programme of activity
- > increasing the reach and impact of media work by developing planning and content management tools, developing a database of expert spokespeople, improved monitoring and evaluation
- > providing communications training to all RCP departments, including identification of reputational risks and crisis management support
- > increasing the effectiveness of digital marketing by developing new templates and formats and reviewing email preferences and needs
- > growing our social media following and developing the website based on research with key audiences and stakeholders
- > strategic development of the RCP journals, including an online-first approach, developing a social media strategy, and income generation through non-members and advertising
- > developing a sustainable print needs strategy
- > improving internal communications.

5

Investing in our future, building on our heritage

The RCP is at the forefront of clinical innovation, yet we also share and learn from our medical heritage, which dates back over 500 years to 1518. We want to invest in our future while promoting and preserving our history.

Our key achievements

A financially sustainable future

We delivered a 2019 financial result (net operating deficit of £1.2 million) in line with our 5-year financial plan for 2015–20.

The Spine building in Liverpool reached sign-off for RIBA Stage 4. To support funding for the Cat-B fit-out, we liquidated £4.25 million leasehold fund investments and secured a £10 million revolving credit facility at favourable rates.

Our Fundraising team had another successful year, securing firm pledges of £950,000 towards the target of £3 million for The Spine, as well as £59,000 (raised via the Physicians for Africa appeal) channelled to the East, Central and Southern Africa College of Physicians.

In 2018 the RCP committed to work towards reducing its gender pay gap within 5 years. In April 2019, the gender pay gap rose to a mean of 14.8% and median of 17.8% (2018: mean 10.3% / median 6.3%). The RCP follows an equal pay policy, and changes in the gender pay gap are attributed to the recruitment of a high proportion of female staff to the new offices in Liverpool (for which staff receive a regional salary), appointment of predominantly female apprentices (on an apprentice salary), as well as an increase in the proportion of female staff employed in the lower pay quartile (2019: 74%, 2018: 60%).

Our objectives

In 2019, we planned to:

- > deliver a financially sustainable future by making the most of our expertise and managing our finances well
- > run an excellent organisation that enables us to deliver our vision of better health and healthcare for everyone
- > be a responsible organisation that lives by the values which we champion in the health service
- > make our current knowledge and our long history work for the benefit of present and future generations.

‘I’m delighted the RCP will be calling this their northern home. They are joining a fantastic roster of world class institutions and am sure will help attract others to join them.’

Joe Anderson, Mayor of Liverpool, at The Spine topping out ceremony



We continued to roll out our new purchase order procurement (POP) system to the RCP's departments and suppliers, resulting in efficiencies and financial benefits.

We launched Circulus, a new professional conference organiser (PCO) business, set up to deliver world-class events and conferences for third parties.

The Federation achieved a £1.1 million surplus over and above the previous year (2018) through efficiency savings, improved processes and increasing revenues through new markets and increased accessibility. This surplus will be invested in the development of IT systems.

We started to improve the balance of income from the approval of live CPD events by modifying the fee structures to make income less dependent on commercial organisations.

An excellent organisation

We continued to build on the number of staff based in Liverpool. There are now 65 people based in our interim offices there, working across all five of our directorates.

We successfully transitioned our 15-strong finance team to Liverpool, and reviewed and improved our finance systems and processes, supported by HaysMacintyre, our internal auditor.

Technology improvements carried out in 2019 included:

- delivering the final phase of the Skype Unified Comms project
- starting work with the next-generation product Microsoft Teams
- developing a 3-year digital and IT strategy with consultancy EACS, including plans to move our server infrastructure off site in 2020
- achieving Cyber Essentials accreditation, the first step in our 3-year cybersecurity road map
- continuing to develop new Federation IT systems to improve physicians' experience of training, exam delivery and CPD.

We delivered improvements identified by internal audits, including in risk management.

We established a new Programme Management Office which supported and engaged in a variety of change projects, including RCP at The Spine and the Regent's Perk café development.

The Federation implemented best practices in risk management for a number of programmes and processes. This enabled efficiencies and an increase in delivery without taking on additional resources.

The Faculty of Medical Leadership and Management completed their planned demerger and moved to new offices at the Royal College of Anaesthetists.

A responsible organisation

We continued to embed the new RCP values of taking care, learning and being collaborative into all our processes and communications. These values drive the way we behave, how we interact with each other and how we work together.

We completed the installation of LED lighting, and maintained our Carbon Trust, ISO 14001 and ESOS-2 environmental and energy saving certifications.

Following a competitive tender process, we agreed a new 5-year contract with CH&Co, our events and catering partners in London. This included a continued commitment to paying the London Living Wage, sustainable practices such as local/ethical food sourcing and compostable packaging materials, and running the new RCP Regent's Perk café.

Benefit present and future generations

The new Spine building in Liverpool was 'topped out' at the 13th floor, and we are now working with contractors to deliver the new building ready for opening in 2021.

As some staff move to Liverpool and space opens up at our Regent's Park office, we began to sublet the terrace houses in St Andrews Place to develop a London 'medical campus'. In 2019 we secured three new tenants – the Society of Occupational Medicine, the British Paediatric Neurology Association, and the Tropical Health Educational Trust.

We ran two major exhibitions: 'Under the skin: Illustrating the human body' – an exhibition on anatomical illustrations, and 'Catch your breath' – a collaboration exploring breath and breathlessness. Linked to our exhibitions, our programme of public events included monthly 'Museum lates', life drawing classes, a panel discussion on 'A matter of life and breath', a choir of patients with COPD and an event called 'singing for lung health'. More than 7,000 people visited the museum and of these, over 4,000 enjoyed a tour.

The RCP500 website was redeveloped to become the RCP history website, and the RCP archives were fully accredited by the National Archives, becoming one of only 150 services in the UK to achieve this success.

GDPR and cybersecurity training was delivered to current staff and all new starters throughout 2019. Internal governance programmes continued to deliver compliance activities, including publishing full privacy notices for all RCP activities.

We're going greener

We are deeply committed to minimising the environmental impacts of our operations and continually seeking innovative ways to improve sustainability.

We went greener in 2019 by embracing a number of environmental initiatives, including:

- > nil waste to landfill, a high % of recycling, cutting out plastics, introducing wormeries to convert food waste into compost for our gardens
- > energy efficiency investments, including new boilers, LED lighting and air conditioning
- > going paperless in meetings by using laptops, tablets and interactive AV screens
- > a managed print solution using eco-friendly Kyocera devices
- > Skype video calling to reduce travel costs
- > 100% renewable electricity at our London site
- > achieving ISO 14001 gold standard for our environmental management systems
- > Carbon Trust and ESOS-2 energy certification.

Our events and catering partners CH&Co championed local and ethical sourcing, environmentally friendly VegWare packaging in our Regent's Perk café, and food waste management. We partnered with Bio-Bean to transform the 3,500 kg of waste coffee grounds produced each year into eco-friendly logs for our wood-fired pizza oven.

The Spine, our new building in Liverpool, is being built to the WELL platinum standard and will be one of the healthiest buildings in the UK. The standard sets strict conditions on the quality of air, water, light, nourishment, fitness, comfort and mind.

We set a new strategy to decarbonise our investment portfolio by 2023, following The Pathway Initiative (TPI) guidelines. By supporting TPI our investment policy will strive to achieve carbon neutrality.

We are considering potential uses of the RCP's farmland at Burmarsh in Kent for carbon offsetting, such as a market garden, beehives for 'Harvey's Honey', or local biodiversity initiatives.



Our work in numbers



We raised £950,000 towards the development of RCP at The Spine



50,000 delegates attended over 600 external meetings and events held at the RCP



More than 7,000 people visited our museum

Forward

Our key priorities include:

- > The Spine development – planning the 2021 move, agreeing contracts to fit out the space, IT and AV, implementing the WELL standard, developing the exhibition and steps spaces, and transition planning for 2021–23 to grow staff numbers
- > developing the business plans for RCP at The Spine from 2021 and forward-selling conferences and events, exams and training, and shared office space
- > fundraising successfully towards the £3 million target for The Spine
- > action plans to narrow the gender pay gap
- > completing the roll-out of POP across all remaining departments
- > continuing to build the PCO Circulus and extending its remit UK-wide
- > implementing the migration of server infrastructure to new off-site servers
- > migrating RCP website and email addresses to www.rcp.ac.uk
- > developing the RCP Digital Strategy, including website improvements, app and online education system
- > achieving Cybersecurity Essentials Plus certification
- > carrying out internal audits of fundraising and trust fund management, and international activities
- > continuing to enhance our environmental sustainability credentials, including developing a roadmap towards carbon neutrality by 2030
- > developing the RCP farmland at Burmarsh in Kent in a sustainable eco-friendly way
- > completing the registration of ‘RCP’ as our official abbreviated trademark
- > reviewing plans for the RCP Library and Museum in London to incorporate more digital interactivity
- > managing the supporting processes to ensure a smooth transition towards establishing the RCP as one organisation operating on two main sites
- > for Federation, an academic systems Digital Transformation Programme – procuring, developing and implementing new IT systems to improve training, exam delivery and CPD
- > running a programme of exhibitions and events and preparing the museum accreditation return.

One college, two main homes

In 2021, we will open an exciting new purpose-built office in partnership with Liverpool City Council – RCP at The Spine. For the first time in our 500-year history, the RCP will be working from two main homes, and in the longer term each will be supported by around 200 staff.

RCP North

In preparation for this move, we opened phase I of our northern presence in 2017. Starting with just three members of staff, our Liverpool workforce has now grown to 65 and is providing a wide range of educational and clinical activities for our members and fellows in the north.

RCP North is based in the William Henry Duncan Building, part of the University of Liverpool, and near the site of the new building. The current site includes a training and clinical assessment centre that provides clinical examinations, conference facilities, quality improvement and research for doctors and healthcare professionals.

The dedicated, purpose-built clinical examination suite has 12 examination rooms, an examiner briefing and breakout space and patient and candidate waiting rooms, as well as a bespoke timing and monitoring system specifically designed for examination conditions.

The RCP Assessment Unit, based in Liverpool, has delivered physician associate national examinations for 1,408 candidates, as well as assessments for 382 specialty diploma candidates and 2,402 MRCP(UK) PACES candidates.

In quality improvement, we have held breakthrough collaboratives for over 200 clinicians on topics such as inflammatory bowel disease, preventing secondary fractures, and diabetes. The Education Team at RCP North have run an extensive programme of educational workshops for almost 1,500 delegates. And in 2019, 71 doctors enrolled onto the chief registrar programme – our largest intake yet – with a first cohort of 21 chief registrars based in Liverpool.

Staff who are currently based in RCP North will move to The Spine in 2021. We will then work to transition employees in a number of other posts currently based in London.



The Spine

The Spine, the RCP's new home in Liverpool's Knowledge Quarter, is part of a wider new development known as Paddington Village.

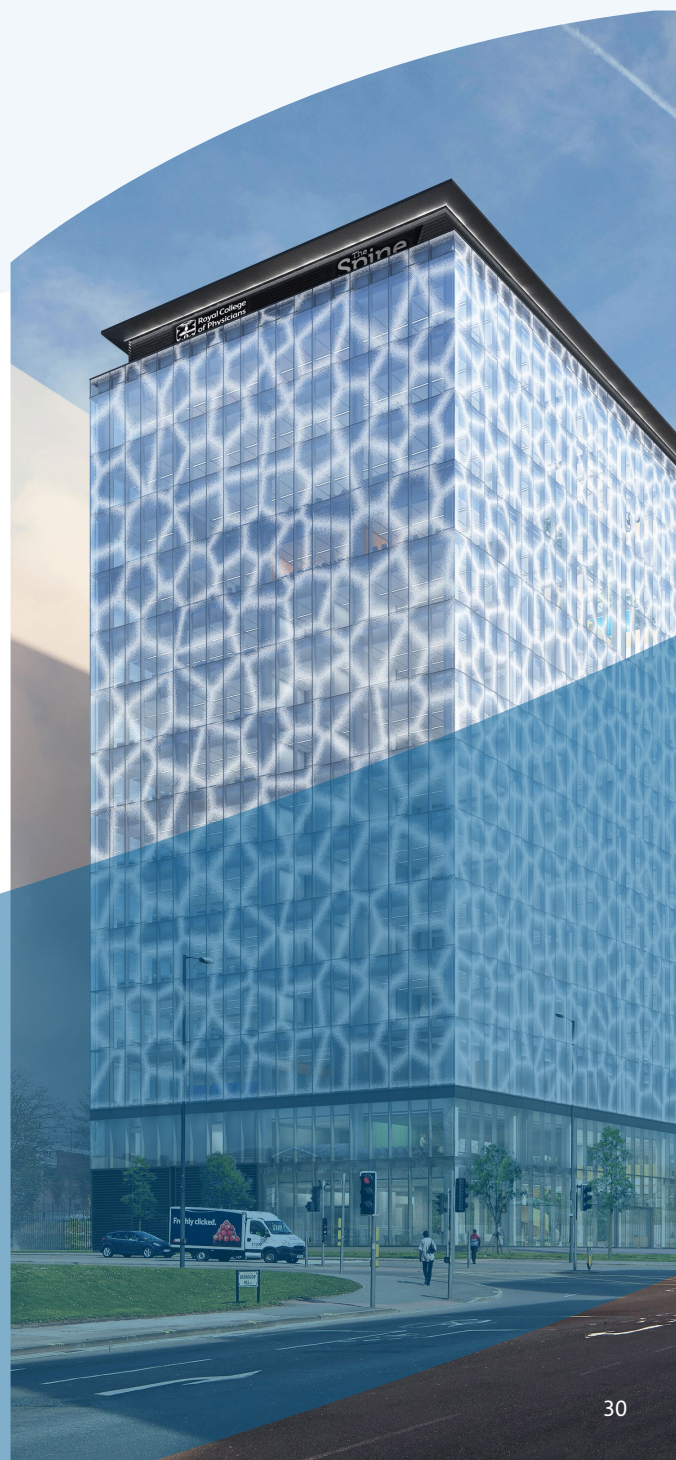
In partnership with Liverpool City Council, we will be taking space on seven floors of what is becoming recognised locally as an iconic building. The building is currently under construction and the RCP has been influential in shaping its design.

The Spine will be built to the international WELL standard supporting and advancing health and wellness. It will feature planting to increase oxygen levels, maximise natural daylight and circadian lighting patterns, and benefit from great acoustics and flexible workspaces.

State-of-the-art facilities will include meetings and events space, areas dedicated to assessment and education, a public café and exhibition space, as well as offices. We will share the building with other health and science organisations to create a vibrant health–medical–scientific community, with neighbours including the new Royal Liverpool Hospital. Adjacent buildings include clinical, educational and research facilities, with a new hotel opening up next door.

The new building will also be a new hub and meeting point for fellows and members in the north, who will have many more opportunities to become involved in our work, attend meetings, educational courses, lectures and other events.

RCP at The Spine will be a beacon of excellence, attracting high-quality healthcare professionals and staff, and driving quality improvement in a pioneering atmosphere of collaboration and partnership. This is a chance for us to show and demonstrate what we are most proud of as an organisation. We hope that RCP at The Spine will establish our presence and purpose for the next 500 years.



Our response to the COVID-19 pandemic

In 2020, the COVID-19 pandemic changed lives dramatically. When the lockdown was announced in March, we reacted swiftly to adapt our services, inform our members and protect our staff.

As a leading health organisation, we prioritised support and guidance for our members, who are at the centre of the NHS response. This section, divided into our strategic themes, outlines the impact of the pandemic on the RCP, how we rapidly and effectively moved many of our services and functions to be delivered virtually, and the steps we are continuing to take to reprioritise in the light of COVID-19 and protect our finances.

Improving care for patients

Our work to improve care for patients has continued as far as possible, with adaptations made in some areas.

While data submission to national clinical audit programmes is not obligatory during the pandemic, clinical teams are continuing to actively participate with the programmes. Our audits are adapting to capture data on COVID-19 to contribute to understanding of the disease and its impact on patient care. National guideline development is continuing as planned, although all work is being managed virtually.

We have temporarily suspended clinical service accreditation assessment visits to enable the NHS to respond to the pandemic and also to protect staff, assessors and patients from the risk or spread of infection. However, we are continuing to support training and learning virtually and are developing guidance to support service recovery.

Activities that have previously required face-to-face interactions, such as breakthrough collaboratives, have been cancelled.

Many of the chief registrars have been central to reorganising care and supporting staff and patients within their organisations, putting their leadership skills to excellent use. Our current cohort has been deployed to the frontline in the wake of the pandemic, so it has not been possible to deliver face-to-face educational modules as planned. Instead, we have adapted learning materials to our online platform, which also enables discussion via topic channels.

We revised and published new guidance emphasising the use of NEWS2 in managing patients with COVID-19.

Developing physicians throughout their careers

We worked swiftly to adjust our diverse portfolio of educational and assessment activities, moving elements online where appropriate.

In March we stopped high-stakes clinical and written exams for doctors and physician associates and communicated with candidates, examiners and examination venues. Fair adjustments for candidates affected by the COVID-19 pandemic were discussed and approved. We are now exploring options for holding examinations in September, which will require some adaptations to minimise infection risks and will also need to ensure the standards examined and protect patient safety.

Face-to-face provision of our professional development courses ceased and we rapidly redeveloped ongoing longer courses for online delivery. This means we have continued to support learners enrolled on master's level programmes, as well as the RCP Emerging Women Leaders and chief registrar programmes.

We promoted and improved access to materials relevant to the COVID-19 pandemic, such as podcasts and online modules, negotiating increased access at no additional charge from our online learning software provider, Course Merchant. This enabled us to provide free access to RCP online learning resources to all clinicians for several months during 2020.



In response to the pandemic, we developed a number of new rapid response online materials, covering tips for learning during a pandemic, delegating under pressure and bite-sized introductions to leadership. A new video resource, 'Effective remote consultations', was produced to support the massive move to online consultations. It was accessed almost 900 times in the first few days.

We supported delegates and organisations with bookings for cancelled workshops. We are working towards restarting some later in 2020 and increasing provision in 2021, adapted to meet any new guidance or requirements.

Leading and supporting our members

Our membership team has adapted to new virtual ways of working, some of which have been so successful they may well become permanent.

We implemented an online-only voting system for the education and training vice president and councillor elections. Our board and committee meetings have all moved to a virtual format, with excellent attendance levels. In future, many committees will continue to be held virtually, saving travel time and costs. Our Excellence in Patient Care Awards 2020 became a virtual ceremony celebrated via our social media channels, ensuring that we continue to celebrate the amazing work of physicians and their teams.

We have seen fantastic levels of engagement from and with our networks, including specialist societies, new consultants, our Trainees Committee and regional networks. This includes working with the specialist societies on 'reset' plans for the NHS post-COVID.

Each year the RCP replies to hundreds of consultations from bodies such as NICE and NHS England. Since the outbreak of the pandemic we have seen an exponential rise in the number of consultations and requests for review and co-badging/endorsement of COVID-19 related materials and guidance.

Our member surveys on issues such as PPE and returning to practice have helped shape the RCP's external comms and campaigning work.

The Faculty of Physician Associates has worked closely with HEE to support graduates unable to take the PA exam, and responded to a huge number of queries from PAs about their roles during the pandemic.

All events involving face-to-face contact have been cancelled or postponed. This includes global activity, regional events, conferences and network meetings as well as membership and fellowship ceremonies. This continues to have a knock-on effect on both our income and engagement with members.

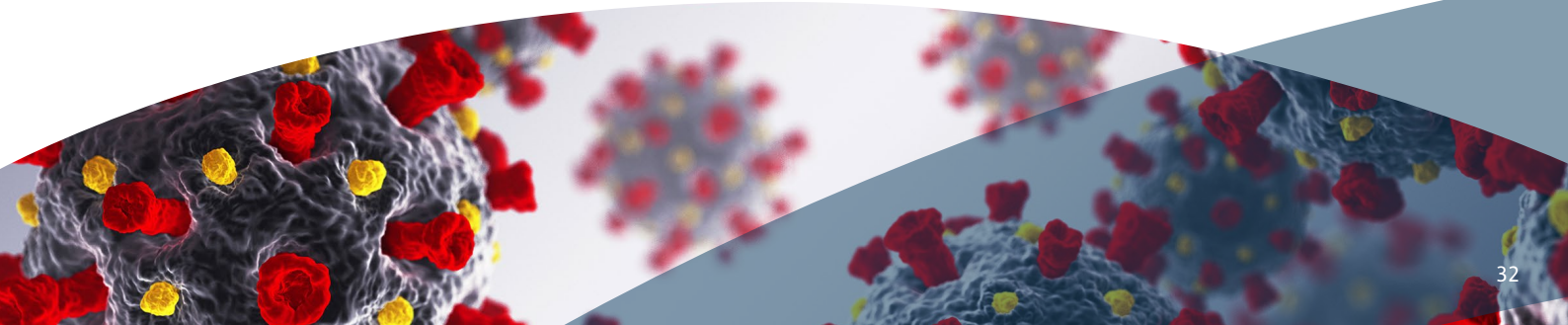
We will now review our plans and activities for their relevance and feasibility in the post-COVID world, including the mix of virtual vs physical meetings and events, membership benefits and messaging to our members.

Shaping the future of health and healthcare

Our activities in the areas of communications, policy and research have increased dramatically since the start of COVID-19 outbreak. We supported members with new resources and increased digital and communications engagement, while advocating for them by influencing upwards to government on the national response.

The RCP website was swiftly repurposed to provide a new COVID-19 information hub including details of business continuity plans, the work of the 30-plus medical specialties and dedicated pages for trainees and research.

Our media work received over 5,000 RCP mentions online, in broadcast and print throughout March and April, highlighting concerns around PPE, testing and staff sickness. Much of this was generated by findings from four high-profile member surveys.



Direct member communications grew with a weekly 'President's bulletin' and a new COVID-19 7-day email update to help members navigate the plethora of new guidance. Social media has become a strategic engagement tool with regular Facebook Lives and the launch of a new Instagram account. We published bespoke RCP guidance on ethics and critical care.

Political and stakeholder engagement was key to our efforts with our survey findings submitted to the Health and Social Care Select Committee, the Science and Technology Committee and the health secretary. We also coordinated a joint letter to Lord Deighton (the PPE 'tsar') on ongoing supply challenges and briefed MPs ahead of the parliamentary debate on the emergency coronavirus bill. We campaigned on behalf of international health and care staff with a public opinion poll conducted by YouGov and a letter to the home secretary.

Our publishing programme ramped up with a new 'digital first' approach for our journals and the launch of a COVID-19 subject collection. Journal article downloads increased substantially from 158,00 in March 2019 to 234,000 in March 2020.

Our internal communications focused on ensuring that our staff felt engaged and supported during this extraordinary time, and included more regular bulletins, an enhanced intranet offer and leadership videos to support working from home and the furlough process.

Investing in our future, building on our heritage

In March we closed our two main sites and enabled the vast majority of employees to work from home using remote technology.

We took an early decision to postpone our flagship annual conference Medicine 2020 to January 2021. This was managed without financial penalty and nearly all paying delegates and sponsors have been retained.

The RCP Player – a streaming platform intended for use at Medicine 2020 – was redeveloped as an online hub featuring COVID-19 video and learning content.

We cancelled all physical conferences and events due to take place between March and September 2020 and dealt with a large number of queries and refund requests from delegates and clients. Where possible, events have moved to a blended (on-site plus a virtual audience) or fully virtual offering. This shift will be reflected in our future events strategy.

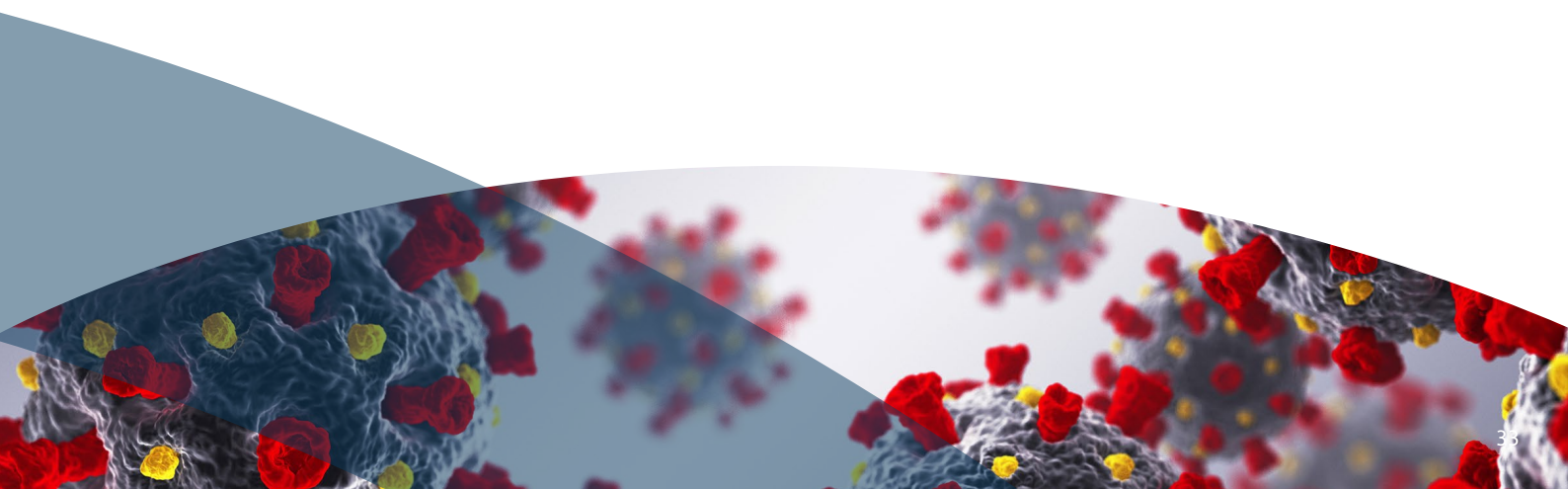
To protect jobs and safeguard the RCP at a time when our income is affected, we used the government's Coronavirus Job Retention Scheme to furlough over 100 employees. Staff members whose workload was impacted by the COVID-19 lockdown were furloughed at different times to ensure our day-to-day business was not adversely affected. We took steps to maintain team communications and morale.

Our finance processes have moved to be completely electronic. We have used forecasting and best efforts to mitigate the severe impact on our financial position. A number of AV, IT and business development projects have been put on hold and the usual 5-yearly external redecoration for our London site has been postponed to 2021.

We postponed our 'Doctors and a good death' exhibition and staff are making plans for exhibitions in 2021 and beyond. Our library staff have maintained enquiry and document delivery services and access to our electronic books, journals and databases and digitised historical collections.

Our hotel, William Harvey House, has stayed open to cater for local NHS workers, and the RCP Medicinal Garden continues to grow and be attended to.

We are now exploring a partial return to the workplace that ensures our staff are kept safe with social distancing, PPE and enhanced cleaning protocols.



RCP boards, committees and lists

Officers and senior roles of the RCP

Visitor

Her Majesty the Queen

President

Professor Andrew Goddard

Vice president for education and training (senior censor)

Dr Emma Vaux

Clinical vice president

Professor David Oliver (demitted July 2019)

Dr Sarah Clarke (appointed August 2019)

Academic vice president

Professor Cheng-Hock Toh

Treasurer

Professor Chuka Nwokolo

Registrar

Professor Donal O'Donoghue OBE

Censors

Dr Jyoti Baharani (appointed August 2019)

Dr Celia Bielawski

Professor Rudolf Bilous (appointed August 2019)

Dr David Cohen

Dr Andrew Douds (demitted July 2019)

Professor Kevin Harris (demitted July 2019)

Dr Andrew Macleod (demitted July 2019)

Dr Rasha Mukhtar (appointed August 2019)

Dr Robert Wright

Vice president for Wales

Dr Gareth Llewellyn

Linacre fellow

Dr Ananthakrishnan Raghuram

Harveian librarian and deputy treasurer

Professor Simon Bowman

Vice president – global

Professor Ali Jawad

Medical director of publishing

Professor Anton Emmanuel (appointed October 2019)

Clinical director for quality improvement and patient safety

Dr John Dean

Medical director, of CME and CPD

Dr Emma Vaux

Senior examiner of the London College

Dr Tanzeem Raza (demitted August 2019)

Dr Abdul-Majeed Salmasi (appointed September 2019)

Director, Medical Workforce Unit

Dr Nigel Trudgill

Deputy directors, Medical Workforce Unit

Dr Sarah Logan and Dr Rifca le Dieu (job-share)

Director, Health Informatics Unit

Professor John Williams (demitted March 2019)

Clinical lead for engagement – The Spine

Dr Louise Bate (appointed September 2019)

New technologies clinical lead

Professor Jeremy Wyatt

Patient involvement officer

Dr Helen Gentles

Director, invited service reviews

Dr Peter Belfield

Deputy medical director, invited service reviews

Dr Adam De Belder (appointed August 2019)

Deputy medical director, invited service reviews

Dr Jonathan Bennett (appointed August 2019)

Deputy registrars

Dr Sonia Panchal and Dr Alastair Gilmore (appointed December 2019)

Clinical director for audit and accreditation

Dr Jane Youde (appointed June 2019)

Clinical director for digital health

Dr Wajid Hussain

Garden fellow

Dr Henry Oakeley

Representative on the Advisory Committee of the Chelsea Physic Garden

Professor Michael de Swiet

Chief executive

Dr Ian Bullock



Officers of the Federation of Royal Colleges of Physicians of the UK

Executive medical director

Dr Gerrard Phillips

Medical director, training and development

Dr Mike Jones

Medical director, assessment

Dr Kenneth Dagg

International medical director, training and development

Professor David Black

International medical director, assessment

Dr Donald Farquhar

Associate medical director, CPD

Dr Adrian Jennings

Associate medical director, written examinations

Dr Derek Waller

Associate medical director, clinical examinations

Dr Stuart Hood

Deputy medical director, JRCPTB

Dr Alastair Miller

Board of Trustees

Ex-officio members

Professor Andrew Goddard, president
 Professor Donal O'Donoghue OBE, registrar
 Professor Chuka Nwokolo, treasurer
 Professor David Oliver, clinical vice president (demitted July 2019)
 Dr Sarah Clarke, clinical vice president (appointed August 2019)
 Professor Cheng-Hock Toh, academic vice president
 Dr Emma Vaux, vice president for education and training and senior censor

Members nominated from Council

Dr Adrian Jennings (demitted December 2019)
 Dr Robin Lachmann (demitted December 2019)
 Professor Namita Kumar (appointed November 2019)
 Dr John Dean

Lay members

Professor David Croisdale-Appleby OBE
 Professor Charles Baden-Fuller
 Sarah Barzycki
 Andrew Chandler
 Graham Meek

Members of Council

Professor Andrew Goddard
 Dr Emma Vaux
 Professor David Oliver (demitted July 2019)
 Dr Sarah Clarke (appointed August 2019)
 Professor Cheng-Hock Toh
 Professor Chuka Nwokolo
 Professor Donal O'Donoghue OBE

Dr Gareth Llewellyn (demitted December 2019)
 Dr Olwen Williams OBE
 Professor Susan Carr
 Dr Kaushik Chaudhuri (appointed August 2019)
 Dr Parijat De
 Professor Rob George (appointed August 2019)
 Dr Ruth Law (appointed August 2019)
 Dr Philippa Medcalf MBE
 Dr Roby Rakhit (demitted July 2019)
 Professor Tom Solomon (appointed August 2019)
 Dr Joanna Szram
 Professor Raymond Tallis (demitted July 2019)
 Dr Jenny Vaughan (appointed August 2019)
 Professor Ashley Woodcock OBE (demitted July 2019)
 Professor Aine Burns
 Dr John Dean
 Dr Adrian Jennings (demitted December 2019)
 Professor Namita Kumar
 Dr Robin Lachmann (demitted December 2019)
 Dr David Cohen (appointed August 2019)
 Dr Andrew Douds (demitted July 2019)
 Professor Kevin Harris (demitted July 2019)
 Dr Robert Wright (appointed August 2019)
 Professor Carol Seymour (demitted May 2019)
 Dr Margaret Stark (appointed May 2019)
 Dr Anne de Bono
 Professor Tim Higenbottam
 Professor John Middleton (demitted June 2019)
 Professor Maggie Rae (appointed June 2019)
 Dr Alison Pittard (appointed November 2019)
 Dr Carl Waldmann (demitted November 2019)
 Dr Tun Aung
 Kate Straughton (appointed August 2019)
 Jeannie Watkins (demitted July 2019)
 Dr John W Dean (demitted March 2019)
 Dr David Price
 Dr Kanwaljit Sandhu (appointed July 2019)
 Dr Michael Trimble (demitted October 2019)
 Dr Ruth Murphy
 Dr Elizabeth Price
 Dr Cathryn Edwards
 Professor Tahir Masud
 Professor Jonathan Bennett
 Dr Susan Crossland (appointed September 2019)
 Dr Nick Scriven (demitted September 2019)
 Professor Mary Reilly (demitted May 2019)
 Professor David Burn (appointed May 2019)
 Dr Robert Gregory
 Dr Tajek Hassan (demitted October 2019)
 Dr Katherine Henderson (appointed October 2019)
 Dr Alastair Gilmore (demitted December 2019)
 Dr Ajay Verma (appointed August 2019)
 Dr Madhu Varma (appointed December 2019)
 Professor Simon Ray
 Dr Michael Fitzpatrick
 Dr Matthew Roycroft
 Dr Rachel Jones (appointed March 2019)
 Dr Waleed Arshad
 Dr Helen Gentles
 Lynne Quinney (appointed October 2019)

Finance and Resources Board

Professor Charles Baden-Fuller
 Dr Ananthakrishnan Raghuram
 Professor Anthony B Ward
 Professor Chuka Nwokolo, treasurer
 Professor Andrew Goddard, president
 Professor Simon Bowman, Harveian librarian and deputy treasurer
 Dr David Cohen
 Professor Donal O'Donoghue OBE, registrar
 Roger Speddy

Audit and Risk Committee

Andrew Chandler
 Graham Meek
 Ray Sadler
 Tim Golbourn
 Roger Speddy

Investment Advisory Panel

Professor Chuka Nwokolo
 Professor Simon Bowman
 Consuelo Brooke
 James Hordern
 Adam Matthews
 Professor Ganesh Subramanian
 Peter Allen
 Martin Been (appointed March 2019)

Remuneration Committee

Professor Chuka Nwokolo
 Professor Simon Bowman
 Andrew Chandler
 Graham Meek
 Professor Anthony B Ward
 Nigel Turner

Awards, prizes and lectures

Christmas lecture

Dr Jane Sterling

Croonian lecture

Professor Irene Leigh

FitzPatrick lecture

Dr Richard Heron

Graham Bull prize and Goulstonian lecture

Dr Sarosh Irani

Harveian orator

Professor Sir John Burn

Linacre lecture

Dr Claire Raphael

Lady Estelle Wolfson lecture

Professor Srinivasan Madhusudan

Parkes Weber lecture

Not awarded in 2019

Samuel Gee lecture

Dr Marsha Y Morgan

Teale essay prize for trainees

Dr Misha Kabir

Excellence in Patient Care Awards

Innovation award

The intelligent Liver Function Testing Team, NHS Tayside

International award

Professor Karim Manji

Medical education and training award

The Imported Fever Service National Clinical Teleconference Team, Rare and Imported Pathogens Laboratory

Person-centred care award

Cardiology and Ambulatory Emergency Care Teams, West Middlesex University Hospital, Chelsea and Westminster NHS Trust

Quality improvement award

TalkCPR Awareness Campaign Team, NHS Wales

The Lancet research award

Hospital-Wide Comprehensive Geriatric Assessment (HoW-CGA) Research Team, University of Leicester

Contribution to the profession award – consultant

Dr Parijat De

Contribution to the profession award – trainee or SAS doctor

Dr Joanna Lawson

Faculty of Physician Associate Awards

PA of the year

Robert Newton

PA supervisor of the year

Dr Sarah Sibley

Outstanding contribution to the PA profession

Dr Jordan Bowen

Fellowships and bursaries

John Glyn bursary

Dr Elena Nikiphorou

RCP and NIHR Clinical Research Network joint research awards

Consultants:

Dr Amit Arora
 Dr Sophie West
 Dr Sree Subramanian
 Dr Amit Patel
 Dr Dinesh Saralaya

Trainees:

Dr Jonathan Segal
 Dr Nicholas Lane
 Dr Emily Heiden
 Dr Jonathan Bird
 Dr Naaventhana Palaniyappan

Samuel Leonard Simpson fellowships in endocrinology

Dr Charlotte Boughton

Elections and admissions

New fellows

911 elected under bye-law 39 (a, c and d)
 4 elected under bye-law 39 (b)
 6 elected under bye-law 39 (e)
 14 elected under bye-law 39 (f)
 94 elected under bye-law 39 (g)
 6 elected under bye-law 43

New honorary fellows

Professor David Back
 Ms Elisabeth Davies
 Professor Susan Jebb
 Professor Maggie Rae
 Rt Hon Sir Ernest Ryder
 Dr Alison Tedstone

Major donors for 2019

AstraZeneca
 The Amateurs Trust
 Daiichi Sankyo
 Edith Lilian Harrison 2000 Foundation
 GSK
 The Henhurst Charitable Trust
 Lord Leverhulme's Charitable Trust
 Norgine
 Novo Nordisk
 Modiano Charitable Trust
 Pfizer
 Rosetrees Trust
 The Sydney Littler Charitable Trust
 Tay Charitable Trust
 The Thompson Family Charitable Trust
 Dr Eric Watts FRCP
 The Garfield Weston Foundation
 The Wolfson Foundation

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
 St Bride's House
 10 Salisbury Square
 London EC4Y 8EH

Investment managers

Cazenove Capital Management
 12 Moorgate
 London EC2R 6DA

Ruffer LLP
 80 Victoria Street
 London SW1E 5JL

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

CCLA Investment Management
 Senator House
 85 Queen Victoria Street
 London EC4V 4ET

Principal address

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

Chief executive

Dr Ian Bullock

Supported by key management personnel

Deputy chief executive

Clive Constable

Executive director, Membership Support and Global Engagement

Matthew Foster

Executive director, Care Quality Improvement

Rhona Buckingham

Executive director, Education

Della Freeth

Executive director, Corporate Services

Justin Smith

Director, Communications, Policy and Research

Claire Burroughs

Director, Human Resources

Linda Asamoah

Chief operating officer – Federation

Yasmin Becker

Financial powers and policies

This section should be read in conjunction with the financial statements on pages 53 to 78. An overview of the financial results is given in the treasurer's report on page 48.

Fundraising

The RCP is grateful for the support that we have received during the course of 2019 from generous donors including members and fellows, charitable trusts and foundations, and corporate partners.

Philanthropic support and corporate sponsorship play a key role in funding the work of the RCP and help us to fulfil our wider charitable aim of improving healthcare. The funds that we raise go directly to supporting research; to education and training; to clinical improvement; to patient safety; and to the maintenance and development of our facilities. This report allows us to show how our charitable funds are distributed and spent. It demonstrates the benefits and effect that the funds have had on supporting physicians and improving standards of patient care.

Principal fundraising activities and performance

Launched in 2017, 'Giving Health' is the RCP's ongoing fundraising appeal to secure philanthropic donations to fund key areas of our work. Giving Health aims to raise funds for four vital projects that demonstrate our shared commitment to the medical profession:

- > **Physicians for Africa** – a partnership with the East, Central and Southern Africa College of Physicians to provide financial and in-kind support for a region desperately short of well-trained doctors
- > **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
- > **RCP at The Spine** – the construction of a state-of-the-art facility in Liverpool for the education and examination of physicians, which will pioneer advances in medical education
- > **Heritage** – maintaining our Grade I listed buildings in London, including renovation of our exhibition spaces and creating new, welcoming spaces for meeting and collaboration.

Overall fundraising income in 2019 from gifts to unrestricted funds and to restricted income and endowment funds increased to £594k, up from £258k in 2018.

Nearly 300 donors to our Giving Health campaign have now been recognised through the Linacre Wall at the main entrance to our London home.

The RCP's fundraising programme is carried out by a small team who focus on generating philanthropic and sponsorship income from individual donors, companies, trusts and foundations, and legacies. The director of development reports directly to the CEO, works closely with the senior officers, and provides regular reports to the Board of Trustees. No complaints relating to our fundraising activities were received during this period.

Fundraising controls and regulation

We are aware that our fundraising success is dependent on maintaining the trust of our donors and the public. We have a number of controls in place to ensure that our fundraising remains ethical, transparent, respects vulnerable people and is compliant with current regulation. Our 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 that ensures that we only receive donations from individuals and organisations with aims and objectives that are compatible with our own. All of our fundraisers receive compulsory training in this area and are members of the Institute of Fundraising, the professional membership body for UK fundraising. The RCP is registered with the Fundraising Regulator (ref 128235) and adopted the Code of Fundraising Practice in 2018. No complaints were received during 2019 (2018: nil).

Investments

Powers and governance

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

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

Management

The majority of investments are managed by Cazenove Capital (part of Schroders plc) who have discretionary powers of investment within agreed restrictions as agreed in the Statement of Investment Principles. During the year, acting on the panel's advice, the RCP liquidated funds invested with Ruffer LLP in order to prudently increase the proportion of the portfolio held in cash deposits to ~25%. In retrospect this was a wise decision.

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. Three specific trust funds invested with fund manager CCLA were transferred to Cazenove in early 2020. One other trust fund (The Cotton Trust) remains invested (as per its terms) with RBC / Royal Trust Corporation of Canada.

The RCP's objective is to invest its investment assets to maximise returns, with a low to moderate level of risk, 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 assets and control of the various risks to which the RCP is exposed.

Where appropriate, the Finance and Resources Board has approved benchmarks for the proportion of the portfolios invested in different asset classes and permitted control ranges within which these proportions may fluctuate. These ranges limit the risk of concentration in one asset class and control and reduce volatility.

For some parts of the portfolio, the Finance and Resources Board has approved investment in a specific investment fund. The nature of this fund also limits the risk of concentration in one type of investment and controls and reduces volatility. The principal fund managers will maintain and report on these investments until instructed otherwise by the Finance and Resources Board.

Objectives

The RCP's investment objectives are:

- > main fund: annual income requirement – £550,000; target a total return of inflation plus 3–5%
- > trust funds: annual income requirement – £250,000; target capital growth in line with inflation
- > leasehold fund: annual income requirement – target growth return – in excess of inflation plus 3–5%.

The annual income requirements will grow in line with inflation and will be met from dividend income and bond interest receipts. In 2019 overall income targets were met with income of £1,085k.

The below table shows the performance of our investments during the year:

Fund	Target	1-year performance (%)	Prior year performance (%)	Performance since inception*	
				Actual	Target
Main**	RPI +3–5%	12.3	(4.7)	6.4	6.7
Trust***	RPI	13.0	(3.5)	7.6	2.8
Leasehold**	RPI +3–5%	3.7	(6.4)	3.3	6.7

*inception taken from 31 March 2011

** including Ruffer LLP funds up to the point of conversion to cash in 2019

*** Cazenove trust pool only

Significant turbulence experienced by world stock markets since the balance sheet date has resulted in a material change in the valuation of the RCP's investments. This is mainly due to concerns about the current and potential impact of the coronavirus outbreak on the global economy. The RCP's portfolio was valued at £42.3 million in June 2020, down from £48.2 million on 31 December 2019. The £5.9 million reduction in investment value reflects £5.0 million of investments liquidated to support the RCP during the pandemic plus a decline in the portfolio value of £0.9 million. We anticipate that market volatility will continue until there is greater certainty about the longer term impact of these issues.

Ethical and Climate Change Investment Policy

For the past 4 years 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. Our fund managers also operate a revenue screen that excludes investment in companies that derive more than 10% of their revenue from the production of thermal coal and tar sands, which are considered the 'dirtiest' of the fossil fuels. This, in effect, did not prevent the RCP remaining invested in diversified mining companies and larger operators in the oil and gas sector. We also support engagement by our managers with high carbon-emitting companies.

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. To ensure that our public advocacy is consistent with our own investments, and given the concerning pace of climate change, we asked the RCP's Investment Advisory Group (IAP) to propose a new Climate Change Investment Policy. In response, the IAP held a number of meetings and sought contributions from both RCP fellows and our fund managers.

In December 2019, the Board of Trustees approved the new Climate Change Investment Policy developed by the IAP. These are its main elements:

- 1 **Understanding the transition:** The RCP has become a supporter of the Transition Pathway Initiative (TPI) that provides an independent academic tool developed for investors by the London School of Economics Grantham Research Institute. The TPI tool will allow the RCP and its fund managers to assess which companies in high carbon emitting sectors are aligning their business to the transition to a low carbon economy in line with the goals of the Paris Agreement.
- 2 **Commitment to global engagement efforts:** The RCP supports engagement with these companies and will encourage its fund managers to be an active member of this vital global climate engagement initiative.
- 3 **Disinvesting from fossil fuel companies without scope 1,2 & 3 targets:** Using the insight of the Transition Pathway Initiative (TPI) the RCP will instruct its fund managers that by the end of 2020 they should have disinvested from any oil and gas and mining company that has not set targets covering their scope 1, 2 and 3 emissions. We note that, for companies in these sectors, we see these targets as encompassing the emissions from the use/burning of their sold products (scope 3), which is the major part of their carbon footprint. As a minimum these targets should be aligned to the equivalent of the government's Nationally Determined Contributions (NDCs) under the Paris Agreement.
- 4 **Immediate disinvestment:** As an interim measure and in recognition of the lack of action by some major US oil and gas companies the RCP will instruct its fund managers to disinvest any holdings with immediate effect from these companies.
- 5 **Expecting robust engagement from our fund managers:** Using the insights of the Transition Pathway Initiative (TPI) the RCP will instruct its fund managers to support shareholder resolutions and use of their voting power to support alignment of company strategies with the goals of the Paris Agreement. This includes robustly addressing the influence of corporate climate lobbying by company industry associations. We also expect our fund managers to be engaging with electricity utility companies as well

as those that drive demand for fossil fuels in high carbon intensive sectors such as automotive, aviation, cement, construction, chemicals, steel and shipping.

- 6 **Disinvesting by 2023 from fossil fuel companies not demonstrably in line with the goals of the Paris Agreement:** By 2023 and after engagement by our fund managers with those remaining oil and gas and mining companies in which we still retain a holding we will ask our fund managers to undertake a final assessment, using the insights of the Transition Pathway Initiative (TPI), to identify which oil and gas and mining companies are demonstrably on a path in line with the goals of the Paris Agreement. Any company that is not on such a path will be disinvested from.
- 7 **Reporting by our fund managers:** The RCP instructs its fund managers to report on a quarterly basis on their delivery against this policy and to evidence the seriousness by which they are engaging with companies and how they are using their voting and shareholder rights to do so.
- 8 **Reporting on progress:** The RCP will report annually on progress in implementing this policy.

Total returns policy

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

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

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

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

Policy on reserves

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

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

The RCP's income (under normal circumstances) is relatively predictable, while its expenditure is more variable and uncertain in some aspects, hence the requirement for financial reserves. 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 2019 total reserves of RCP were £47.5 million. The RCP holds a number of permanently endowed and restricted funds which result from bequests or donations for particular purposes, details of which are set out in notes 22 and 23 to the financial statements. At 31 December 2019 total restricted funds were £3.4 million and endowment funds were £11.0 million.

The RCP also holds reserves in the form of designated funds that are earmarked for particular purposes by the trustees. At 31 December 2019 the balance on the designated funds was £19.5m. Two of the main designated funds are the intangible and fixed assets fund, represented by tangible and intangible and fixed assets, which are not readily converted into cash, and the leasehold replacement fund, the value of which is currently represented by cash deposits. The leasehold replacement fund has been identified as one source of funds for the future investment in the fit-out of RCP at The Spine in Liverpool.

The free 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 free reserves of the RCP as at 31 December 2019 were £13.7 million after deducting the defined benefit pension scheme deficit (2018 free reserves: £15.0 million). At 31 December 2019 the defined benefit pension scheme deficit was £4.2 million (2018: £3.0 million). Free reserves net of pension scheme deficit represent 4.4 months of the unrestricted operational expenditure, which is within the target free reserves level of between 3 and 6 months. Whilst the financial impact of COVID-19 is likely to put pressure on the level of free reserves going forward, the target level is still appropriate.

Trading subsidiary

Net profit for the RCP's wholly owned trading subsidiary, The RCP Regent's Park Limited, for the year ended 31 December 2019 of £59k has been paid under gift aid to the RCP in 2019. 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 trading results and balance sheet of the subsidiary extracted from its audited accounts are set out in note 25 to the financial statements.

Going concern

The RCP's activities, together with the factors likely to affect its future development, performance and financial position, have been impacted by the recent COVID-19 outbreak. As detailed on pages 31 to 33 in 'Our response to the COVID-19 pandemic', the RCP has taken appropriate action to protect our beneficiaries, staff and other stakeholders. Management and the Board of Trustees have reviewed the financial position of the RCP, its cash flows, liquidity position and reserves in light of the current climate.

The RCP has considerable available financial resources, comprising marketable equities, bonds, short-term cash instruments and deposits totalling £50 million at December 2019. Despite the significant reduction in equity values (the MSCI World Index fell 8.7% in the 6 months to June 2020 and the UK equity index fell 19.5% over the same period), the RCP's risk-based investment mix has delivered a relatively small reduction in the value of the investment portfolio of £1.1 million (June 2020) since the year end, around 2.3% of the £48.1 million portfolio value. Working capital requirements are met through a combination of income received from business activities plus drawdown against cash funds held within the RCP's investment portfolio. In addition, the RCP has secured a £10 million revolving credit facility with Santander, available to draw down against capital costs associated with RCP at The Spine in Liverpool.

The trustees agree annual budgets and review updated management accounts and financial forecasts to ensure that funds are available to support RCP activities and capital projects and gain assurance as to compliance with RCP banking arrangements. The Board of Trustees reviewed and assessed key risks and uncertainties impacting immediate liquidity and longer-term solvency of the RCP. The potential impact of COVID-19 was considered through the review of detailed financial projections through to December 2021, along with sensitivity analysis to forecast the financial impact of different COVID-19 related lockdown scenarios through 2020 and 2021. Forecasts have been assessed with respect to income and expenditure streams, monthly cash flow and financing, the value of investments and the impact of the virus on the pension fund deficit. The strength of the future balance sheet has also been reviewed, particularly considering the availability of unrestricted reserves and compliance with bank covenants attached to the Santander rolling credit facility.

Disruption caused by the COVID-19 pandemic has had a material impact on RCP operations with the temporary suspension of clinical service accreditation assessment visits, the move towards online educational and assessment activities wherever possible and the cancellation of events and conferences. The trustees have reviewed forecasts and undertaken sensitivity analysis and believe that RCP has adequate liquid resources and policy levers to continue in business for the foreseeable future. The use of unrestricted reserves held within the investment portfolio plus the availability of the banking facility with Santander provides support for RCP activities and capital projects. In addition, the RCP holds heritage assets which are not valued on the balance sheet, some of which can be liquidated if necessary. Based on the above, the trustees have concluded that there are no material uncertainties related to events or conditions that cast significant doubt upon the RCP's ability to operate as a going concern and continue to adopt the going concern basis in preparing the annual financial statements.

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 and policy 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. During 2019, trustees considered how the 2015–20 RCP strategy had fulfilled its purpose and commenced on a programme to refocus the strategy for 2021–24. A period of stakeholder engagement will be undertaken in 2020 to influence the focus of the vision, mission and strategic objective for launch in 2021, to ensure that the RCP continues to use its resources effectively.
- > **Leadership** – in addition to setting strategy, the Board of Trustees seeks to provide leadership throughout 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. The continuing review of the bye-laws during 2019 enabled development of tighter governance processes and will provide greater clarity around the respective roles of the Board of Trustees and Council. This work will be ratified at the annual general meeting in September 2020.
- > **Integrity** – trustees are expected to follow *The 7 principles of public life* drawn up by the Committee on Standards in Public Life. During 2019 the RCP embedded its Code of Conduct and organisational values within all areas of its business. A Raising Concerns policy was written 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. 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. The RCP embraced an improved risk identification and reporting processes and provided training to teams throughout the organisation to improve the understanding of risk and risk reporting.
- > **Board effectiveness** – it was noted the members of the Board reflected the complexity of the organisation. As part of the ongoing modernisation of governance and effectiveness of trustees a lay chair was appointed in June 2019.
- > **Diversity** – the Board currently has a diverse membership, and this will be kept under review. In 2019 the RCP commenced a programme of work to review equality, diversity and inclusivity across all areas of activity and this will conclude in 2020 with recommendations to the trustees.
- > **Openness and accountability** – the RCP had many touchpoints with a wide variety of stakeholders. As part of the bye-law review consideration will be 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 2020 AGM will be the first one under this new approach.

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 to the fellows at the annual general meeting.

The Board of Trustees comprises:

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

Trustees are inducted in the operations of the RCP as well as their statutory obligations as a charity trustee when they are appointed. The training requirement for trustees is kept under regular review and meetings of the Board are usually preceded by a training session on a specific topic. A web-based governance hub makes material more accessible to trustees and an online declaration of personal interests and good standing of trustees supports good governance processes.

Council

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

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

There is one board with specific responsibility to the Council:

- > Medical Specialties Board.

RCP officers

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

Annual general meeting

The annual general meeting (AGM) or Comitia of fellows is combined with the annual presidential election, and by act of parliament is held on the first Monday after Palm Sunday. From 2020, the AGM will be decoupled from the presidential election to occur later in the year.

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 (also the Board responsible for strategic theme 5)
- > Audit and Risk Committee
- > Remuneration Committee.

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

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

Finance and Resources Board

In 2019 the Finance and Resources Board met four times. It has responsibility for:

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

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

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

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

Audit and Risk Committee

Formed at the end of 2016, 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 one internal audit 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 has been established to provide independent review and recommendations to the Board on the RCP's remuneration policy, pay awards, senior staff performance reviews, and pay and related matters.

Statement of trustees' responsibilities

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

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

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

- > select suitable accounting policies and then apply them consistently
- > observe the presentation principles in the Charities' Statement of Recommended Practice (SORP)
- > make judgements and estimates that are reasonable and prudent
- > state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue to operate.

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

The trustees of the charity are aware of their duty under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales. They have fulfilled this during 2019 by receiving regular reports on the development of the Commission's guidance. They have taken account of public benefit guidance in the development and approval of the RCP's operational plan and supporting budgets for 2020, which were approved in 2019.

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

Management

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

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

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

Modern slavery statement

Pursuant to section 54(1) of the Modern Slavery Act 2015, the RCP has published a slavery and human trafficking statement for the financial year ending 31 December 2019. This is available to view at www.rcplondon.ac.uk/modern-slavery-and-human-trafficking-act-statement.

Risk management

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

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

The principal categories of risk that the RCP monitored and sought to mitigate in 2019 are:

Area of risk	Risk	Mitigating factors
Governance	Complex range of activities and organisational structure.	<ul style="list-style-type: none"> > Adequate internal controls and policies in place. > Appointment of internal auditors in 2017 to help focus on high-risk areas.
Governance	Ongoing services structure provided through the Federation with the Scottish physician colleges.	<ul style="list-style-type: none"> > Revised memorandum of agreement (MoA) was agreed and signed Dec 2018. > Detailed operational plans have been developed.
Operational risks	Information technology: migration from old database systems and websites to more modern systems.	<ul style="list-style-type: none"> > Monitoring by the Knowledge and Information Systems Committee in line with the RCP's overall strategy.
Operational plans	Ageing and inflexible (grade I) estates infrastructure in London, and the new expansion plans in Liverpool.	<ul style="list-style-type: none"> > A capable property and facilities team, supported by advisers CBRE

Area of risk	Risk	Mitigating factors
Operational plans – RCP North	Strategic project puts excessive pressure on the reserves, causes management stretch and key personnel to leave. Fails to deliver on opportunity.	<ul style="list-style-type: none"> > Good project/programme management. > Focus on financial management/planning, supported funding proposals. > Regular staff communication.
Financial risks	A deficit in the closed defined benefit pension scheme, for which we have agreed a repayment over 7 years.	<ul style="list-style-type: none"> > A new agreed deficit repayment of £685k pa until Dec 2023. > A strong Defined Benefit Trustee Board.
Financial risks	Ability to generate income/fundraise and grow/diversify the revenue base and our ability to control costs, causing cash management strain.	<ul style="list-style-type: none"> > Increased focus of cash management and planning. > Established team assisting the RCP to raise funds for strategic purposes.
Environmental or external factors	Government policy on the NHS, and impact on medical professionalism and standards, while remaining aligned to the views of our members.	<ul style="list-style-type: none"> > Continued influence on the engagement plans with our members and government on NHS policy.

Crystallised risk – COVID-19

In January/February 2020 the world started to recognise the pandemic risk of the COVID-19 coronavirus which originated in Wuhan, China. This classic ‘black swan’ event had not previously been on the RCP risk register. On 19 March 2020, following medical advice the RCP closed its sites at London and Liverpool, and on 23 March the UK entered a government-mandated national lockdown and all of our 400 staff started working from home.

Exams, conferences and events, and regional meetings have now all been cancelled for a 6-month period to September 2020, causing a severe shortfall in revenues. Costs have been mitigated where possible and c.100 staff have entered the government furlough scheme. 2020 operational plans have been scaled down accordingly. Fortunately the RCP had set aside sufficient cash reserves to ride out the crisis.

External auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. A competitive review of external audit provision will be conducted in 2020.

Approved by the Board

The annual report has been approved by the Board of Trustees on 24 June 2020 and signed on its behalf by:



Professor David Croisdale-Appleby
Chair of trustees



Professor Chuka Nwokolo
Treasurer

Treasurer's annual report

I am pleased to present my report for the year ending 31 December 2019.

During this, our 501st year, the RCP continued to deliver the current 5-year (2015–20) strategy. Unrestricted income and expenditure increased by 1%, and the total operating deficit (£1,167k) was halved set against 2018.

The investment portfolio increased in value by 8% (£3,712k) on a like-for-like basis. However, this was partly offset by an increase in the (closed) defined benefit pension fund actuarial deficit of (£1,874k), resulting in a modest overall net surplus funds movement of £671k (2018: (£3,044k) deficit). The investment portfolio declined in value by £0.9 million between January and June 2020 as a result of the volatility experienced by world financial markets due to the potential economic impact of the pandemic. We anticipate that market volatility will continue until there is greater certainty about the longer term impact of these issues.

	----- 2019 (£000) -----				2018 (£000)
	Unrestricted	Restricted	Endowment	Total	Total
Total income	35,401	6,862	469	42,732	43,181
Total expenditure	37,035	6,770	94	43,899	45,323
Net operating result	(1,634)	92	375	(1,167)	(2,142)
Net (losses)/gains on investment assets	2,617	73	1,022	3,712	(3,007)
Other net gains/(losses)	(1,874)	0	0	(1,874)	2,105
Transfers	34	211	(245)	0	0
Net movement in funds for the year	(857)	376	1,152	671	(3,044)

Income and expenditure

The RCP's consolidated total income in 2019 was £42.7 million (2018: £43.2 million). After adjusting for the demerger of the Faculty of Medical Leadership and Management (FMLM) on 31 December 2018, which in 2018 had an income of £1,538k, total like-for-like RCP income growth was 3%.

Growth of 1% in unrestricted income was driven by Federation MRCP(UK) examinations, training and CPD, and unrestricted income moved from 81% to 83% of the total. After adjusting for the FMLM demerger, restricted income recorded an 11% increase due to increased new grant income in education offsetting reduced clinical standards and national guidelines work.

2019 saw membership numbers ending the year at 37,000, a growth of 3% across all categories. The newer physician associate category continues to grow rapidly.

RCP income from medical and non-medical meetings and events continues to be an important income stream (£6 million) and enabler of networking and ideas interchange, in an increasingly competitive London market. We continue to invest in audio-visual technologies, streaming platforms and value-added 'PCO' (professional conference organiser) services to capture more of the extended event value chain.

Despite continued targeted investment into the RCP's strategy, total expenditure of £43.9 million was held flat against £43.8 million (excluding FMLM) in 2018, demonstrating good management and financial controls.

We continued to refresh and update our London estate to reflect the future needs of the RCP. For example, the House 11 air conditioning system was upgraded, and the former staff 'Buttery' converted to a modern 'Regent's Perk' café for staff, members and guests, operated by our catering and event partners CH&Co.

We continued to steadily build up staff numbers to 65 in 'phase 1' of RCP North in its temporary home at the University of Liverpool William Henry Duncan Building.

Construction by Morgan Sindall, on behalf of Liverpool City Council, of the Category A core and shell of the 14-floor, 160,000 sqft, RCP at The Spine building is nearing completion, despite some delays due to COVID-19. In June 2020, our contractors Overbury will commence the Category B fit-out, and the RCP is planning to move into 7 floors of the building in March 2021. As the flagship building 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. It will be certified to the prestigious 'WELL' standard, as one of the healthiest buildings in the UK.

We continued to build our in-house fundraising team, which now comprises four staff. The Linacre Wall in London has been a very successful initiative – individual donors can buy a personalised 'brick' in the wall for £1,518 (being the year the College was founded), and so far we have sold nearly 300 bricks. We are also on track to raise the target of £3 million towards the £15 million RCP North project, the balance of which funding is already in place through £4.25 million liquidation of investments, and a £10 million bank loan facility with Santander. A new COVID-19 Appeal campaign has just been launched in 2020, to channel funds into support for physicians, research, and clinical best practice to tackle the pandemic.

Investments

As at 31 December 2019 our investments, including cash deposits, stood at £48.2 million. World markets saw a rally in the second half of 2019, boosted by Central Bank and fiscal stimulus packages. During the year, ~£8.9 million of funds previously held with fund managers Ruffer (both directly in the Leasehold Fund, and indirectly in the Cazenove Main Fund 'B') were liquidated at near the top of the market. So the 31 December 2019 year-end position showed total cash deposit holdings of ~£11.8 million, nearly a quarter of the total portfolio. This prudence has provided us with a solid cash cushion as the COVID-19 pandemic has unfolded in 2020. A cash-rich portfolio also protected the RCP from the acute deterioration in equity markets that occurred in first quarter of 2020. The RCP's portfolio was valued at £42.3 million in June 2020, reflecting a reduction in market value of £0.9 million together with £5 million cash drawn down during this period.

The objectives of our investment strategy are to achieve long-term growth at 3–5% ahead of RPI inflation, at an acceptable level of risk, and to generate steady income as required for the RCP's work. Following the liquidation of holdings with Ruffer, our investments are now mainly held by fund managers Cazenove, with small holdings still with CCLA, 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 underway.

Pensions

As at the end of 2019, the deficit of the defined benefit pension scheme, which has been closed to new members since 2002 and to further accrual from 2008, increased from (£2.978) million to (£4.243) million on an FRS 102 basis. This increase in the deficit was due mainly to actuarial assumptions on the scheme, particularly a fall in expected interest rates. The trustees have implemented a liability driven investment (LDI) strategy whereby ~80% of the risk in the scheme from inflation and interest rate moves has been hedged.

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

The RCP continues to have a strong balance sheet, with net assets of £47.5 million of which £48 million is the market value of our investment portfolio (which is highly tradeable and liquid) and £1.5 million in cash. Endowment and restricted funds comprise £14.3 million, therefore unrestricted funds comprise £33 million, of which general reserves (net of the long-term defined benefit pension deficit) have fallen slightly to £13.7 million, equivalent to 4.4 months' unrestricted expenditure. 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 assets that we hold on behalf of fellows, and to use the resources available to fulfil the RCP's objectives and promote its work as efficiently as possible. Our reserves policy is to maintain the level of general reserves at between 3 and 6 months of unrestricted operational expenditure.

While the RCP's balance sheet position remains strong, the COVID-19 crisis and 4-month lockdown has had a severe impact in 2020 on a number of important RCP activities – exams and assessment, conferences and

events, face-to-face education and training workshops, regional events and quality improvement collaboratives. At the same time, we are gearing up to make a significant investment in 2020/21 in the fit-out of RCP North phase 2. So the executive team has been working hard to mitigate the financial position, including putting a quarter of the workforce onto the government furlough scheme, deferring investments in the London estate and IT systems development, and cutting non-essential costs, while preserving our core capabilities, key NHS services and support for members tackling COVID-19 on the frontline.

With thanks

As ever, I am extremely grateful for the help and support that I have received in my role, from so many who have given generously of their time to help carry the work of the RCP forward.

I owe a particular debt of gratitude to our independent pro-bono external advisers, who give unfailingly of their time and expertise to advise and support the infrastructure and financial activities of the RCP. I should also particularly like to thank: all the staff of the RCP Finance Department for their unfailing help and advice; the members of the Finance and Resources Board for their assistance in overseeing and monitoring the RCP's finances, developments of our IT facilities, and our estates strategy; the members of the Investment Advisory Panel for their work in monitoring the implementation of our investment strategy and the performance of the investment managers; and the Audit and Risk Committee for their assistance in reviewing and providing assurances on the RCP's governance and controls.



Professor Chuka Nwokolo

Treasurer

24 June 2020

Independent auditor's report to the trustees of the Royal College of Physicians

Opinion

We have audited the financial statements of the Royal College of Physicians for the year ended 31 December 2019 which comprise consolidated statement of financial activities, the parent and consolidated balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- > give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section 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

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

- > the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- > the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 45, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory auditor

London

Date: 21 July 2020

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.

Consolidated statement of financial activities for the year ended 31 December 2019

	Notes	Total funds				
		Unrestricted funds	Restricted funds	Endowment funds	31 Dec 18 restated	
		£000	£000	£000	£000	
Income from:						
Fundraising	2	125	349	120	594	258
Charitable activities						
Care quality improvement	3	3,201	5,329	-	8,530	9,143
Education and Federation	4	16,948	1,034	-	17,982	18,009
Membership support and global engagement	5	8,061	35	-	8,096	8,436
Communications, policy and research*	6	47	83	-	130	175
Heritage and investing in our future	7	73	-	-	73	73
Meetings and events (medical)		4,269	-	-	4,269	4,115
Activities to generate funds						
Investment income	8	708	28	349	1,085	1,033
Meetings and events (non-medical) – trading	25	1,772	-	-	1,772	1,831
Other income		197	4	-	201	108
Total income		35,401	6,862	469	42,732	43,181
Expenditure on:						
Raising funds						
Fundraising costs		253	-	-	253	230
Investment management fees		123	3	33	159	135
Meetings and events (non-medical)	25	1,713	-	-	1,713	1,569
		2,089	3	33	2,125	1,934
Charitable activities						
Care quality improvement	9	5,237	5,368	-	10,605	11,356
Education and Federation	10	13,003	1,135	-	14,138	15,262
Membership support and global engagement	11	4,472	196	-	4,668	4,577
Communications, policy and research	12	3,953	63	-	4,016	4,096
Heritage and investing in our future	13	2,265	-	-	2,265	2,718
Meetings and events (medical)		6,016	-	-	6,016	5,265
Trusts and fellowships		-	5	61	66	115
Total expenditure	14/15	37,035	6,770	94	43,899	45,323
Net operating (loss)/gain		(1,634)	92	375	(1,167)	(2,142)
Net gains/(losses) on investment assets		2,617	73	1,022	3,712	(3,007)
Net income/(expenditure)		983	165	1,397	2,545	(5,149)
Transfers between funds	21/22	34	4	(38)	-	-
Actuarial (losses)/gains on defined benefit pension scheme	26	(1,874)	-	-	(1,874)	2,105
Net movement in funds for the year		(857)	169	1,359	671	(3,044)
Funds brought forward at 1 Jan 2019	21/22/23	33,998	3,187	9,616	46,801	49,845
Funds carried forward at 31 December 2019		33,141	3,356	10,975	47,472	46,801

*formerly Strategy, communications and policy

Consolidated and RCP balance sheets as at 31 December 2019

	Notes	2019		2018 restated	
		Group £000	RCP £000	Group £000	RCP £000
Fixed assets					
Intangible assets	16a	2,018	2,018	2,444	2,444
Tangible fixed assets	16b	12,762	12,762	12,041	12,041
Investments	17	48,194	48,194	43,901	43,901
		62,974	62,974	58,386	58,386
Current assets					
Stocks		178	178	159	159
Debtors	18	4,247	4,061	4,328	4,133
Investment accounts		309	303	1,123	1,117
Cash		1,465	1,385	1,277	1,236
		6,199	5,927	6,887	6,645
Creditors					
Amounts falling due within 1 year					
Creditors and accrued expenses	19	(11,170)	(10,898)	(9,261)	(9,019)
Examination and other income received in advance	19	(6,288)	(6,288)	(6,233)	(6,233)
		(17,458)	(17,186)	(15,494)	(15,252)
Net current liabilities		(11,259)	(11,259)	(8,607)	(8,607)
Net assets excluding pension liability		51,715	51,715	49,779	49,779
Defined benefit pension scheme liability	26	(4,243)	(4,243)	(2,978)	(2,978)
Net assets including pension liability	24	47,472	47,472	46,801	46,801
Represented by					
Unrestricted funds:					
Designated funds					
Leasehold Replacement Fund	21	4,357	4,357	4,283	4,283
Fixed and Intangible Assets Fund		14,780	14,780	14,485	14,485
Legacies Development Fund		147	147	145	145
Care quality improvement*		179	179	115	115
		19,463	19,463	19,028	19,028
General charitable fund					
Less: Pension scheme liabilities	26	(4,243)	(4,243)	(2,978)	(2,978)
		13,678	13,678	14,970	14,970
Total unrestricted		33,141	33,141	33,998	33,998
Restricted	22	3,356	3,356	3,187	3,187
Endowment	23	10,975	10,975	9,616	9,616
		47,472	47,472	46,801	46,801

*formerly Clinical Standards

The results of the parent charity for the year ended 31 December 2019 was a surplus of £671k (2018:(£3,044k deficit, restated).

Approved for and on behalf of the RCP (Charity Registration No. 210508) on 24 June 2020 and authorised for issue.



President: Andrew Goddard



Treasurer: Chuka Nwokolo

Consolidated statement of cash flow for the year ended 31 December 2019

		2019 £000	2018 restated £000
Cash flow from operating activities			
Net cash provided by / (used in) operating activities	A	2,396	(2,365)
Dividends, interest and rents from investments		1,085	1,033
Purchase of property, plant and equipment		(2,247)	(1,206)
Purchase of intangible assets		(475)	(695)
Proceeds from sale of investments		4,838	2,663
Purchase of investments		(5,419)	(74)
Donation of cash to discontinued operation*		(804)	0
Net cash provided by (used in) investing activities		(3,022)	1,721
Change in cash and cash equivalents in the reporting period		(626)	(644)
Cash and cash equivalents at the beginning of the reporting period	B	2,400	3,044
Cash and cash equivalents at the end of the reporting period	B	1,774	2,400

* In December 2018 an agreement was signed to gift the net assets and ongoing operation of The Faculty of Medical Leadership and Management into an independent registered charity as at 1 January 2020. The Faculty of Medical Leadership and Management had previously operated as a restricted fund within the RCP with the transfer of funds made 31 December 2019.

Notes to consolidated statement of cash flow for the year ended 31 December 2019

		2019 £000	2018 restated £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)		2,545	(5,149)
Adjustments for:			
Depreciation charges		1,471	1,194
Amortisation charges		901	710
Loss/(gains) on investments		(3,712)	3,007
Loss on discontinued operation		767	0
Dividends, interest and rents from investments		(1,085)	(1,033)
(Gain) on valuation of defined benefit pension scheme		(609)	(831)
(Increase)/decrease in stocks		(19)	4
(Increase)/decrease in debtors		(249)	(424)
Increase in creditors		2,386	157
Net cash provided by/(used in) operating activities		2,396	(2,365)
B. Analysis of cash and cash equivalents			
Cash in hand		1,465	1,277
Notice deposits and investment accounts (less than 30 days)		309	1,123
Total cash and cash equivalents		1,774	2,400

Notes to the financial statements for the year ended 31 December 2019

1 Accounting policies

Charity information

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

Basis of preparation

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (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 financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 RCP has considerable available financial resources, comprising marketable equities, bonds, short-term cash instruments and deposits totalling £50 million at December 2019. Despite the significant reduction in equity values (the MSCI World Index fell 8.7% in the 6 months to June 2020 and the UK equity index fell 19.5% over the same period), the RCP's risk-based investment mix has delivered a relatively small reduction in the value of the investment portfolio of £1.1 million (June 2020) since the year end, around 2.3% of the £48.1 million portfolio value. Working capital requirements are met through a combination of income received from business activities plus drawdown against cash funds held within the RCP's investment portfolio. In addition, the RCP has secured a £10 million revolving credit facility with Santander, available to draw down against capital costs associated with RCP at The Spine in Liverpool.

The trustees agree annual budgets and review updated management accounts and financial forecasts to ensure that funds are available to support RCP activities and capital projects and gain assurance as to compliance with RCP banking arrangements. The Board of Trustees reviewed and assessed key risks and uncertainties impacting immediate liquidity and longer-term solvency of the RCP. The potential impact of COVID-19 was considered through the review of detailed financial projections through to December 2021, along with sensitivity analysis to forecast the financial impact of different COVID-19 related lockdown scenarios through 2020 and 2021. Forecasts have been assessed with respect to income and expenditure streams, monthly cash flow and financing, the value of investments and the impact of the virus on the pension fund deficit. The strength of the future balance sheet has also been reviewed, particularly considering the availability of unrestricted reserves and compliance with bank covenants attached to the Santander rolling credit facility.

Disruption caused by the COVID-19 pandemic has had a material impact on RCP operations with the temporary suspension of clinical service accreditation assessment visits, the move towards online educational and assessment activities wherever possible and the cancellation of events and conferences. The trustees have reviewed forecasts and undertaken sensitivity analysis and believe that RCP has adequate liquid resources and

policy levers to continue in business for the foreseeable future. The use of unrestricted reserves held within the investment portfolio plus the availability of the banking facility with Santander provides support for RCP activities and capital projects. In addition, the RCP holds heritage assets which are not valued on the balance sheet, some of which can be liquidated if necessary. Based on the above, the trustees have concluded that there are no other material uncertainties related to events or conditions that cast significant doubt upon the RCP's ability to operate as a going concern and continue to adopt the going concern basis in preparing the annual 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 when there is adequate probability over entitlement, amount and receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received. 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 membership subscriptions and examination admissions any receipt in respect of future years is shown as deferred income.

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 in the year of purchase or acquisition, or 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.

Costs that have been capitalised for RCP North phase 1 are being depreciated over the life of the lease, currently 3 years.

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.

Investments

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

Stock

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

Cash and cash equivalents

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

Pensions

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

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

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

Taxation

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

Unrestricted funds

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

Designated funds

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

Restricted funds

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

Endowment funds

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

Total return accounting

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Financial instruments

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

Operating leases

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

Notes to the financial statements continued

Incoming resources

	Unrestricted	Restricted/ endowment	2019	2018
	£000	£000	£000	£000
2 Fundraising				
Donations	97	346	443	160
Legacies	27	34	61	10
Library and museum	1	1	2	3
RCP North*	-	57	57	29
Physicians' fund	-	31	31	56
	125	404	594	258
3 Care quality improvement				
National Guideline Centre	167	3,055	3,222	3,505
Core and Audit and Accreditation	2,789	2,274	5,063	5,500
Invited Service Reviews	245	-	245	138
	3,201	5,329	8,530	9,143
4 Education and Federation				
Education and conferences	3,172	1,034	4,206	4,973
Continuing professional development	215	-	215	195
MRCP(UK) examinations	11,809	-	11,809	9,677
Physicians Training Board	1,752	-	1,752	1,626
Faculty of Medical Leadership and Management	-	-	-	1,538
	16,948	1,034	17,982	18,009
5 Membership support and global engagement				
Membership	7,194	-	7,194	7,273
UK regional offices	557	-	557	516
International	298	35	333	636
Medical Workforce Unit	12	-	12	11
	8,061	35	8,096	8,436
6 Communications, policy and research**				
Publications	47	-	47	77
External communications	-	83	83	98
	47	83	130	175
7 Heritage and investing in our future				
Library and museum services	73	-	73	36
RCP500	-	-	-	37
	73	-	73	73
8 Investment income				
Dividends	184	55	239	119
Interest on investments	524	322	846	914
	708	377	1,085	1,033

*formerly included within Heritage and investing in our future

**formerly Strategy, communications and policy

Notes to the financial statements continued

Resources expended

	Unrestricted	Restricted/ Endowment	2019	2018
	£000	£000	£000	£000
9 Care quality improvement				
National Guideline Centre	602	3,057	3,659	3,703
Core and Audit and Accreditation	4,280	2,311	6,591	7,464
Invited Service Reviews	355	-	355	189
	5,237	5,368	10,605	11,356
10 Education and Federation				
Education and conferences	5,949	368	6,317	6,528
Continuing professional development	175	-	175	177
MRCPUK examinations	5,473	-	5,473	5,704
Physicians Training Board	1,406	-	1,406	1,295
Faculty of Medical Leadership and Management	-	767	767	1,558
	13,003	1,135	14,138	15,262
11 Membership support and global engagement				
Membership	2,108	-	2,108	2,167
UK regional offices	1,364	-	1,364	1,097
International	652	196	848	1,010
Medical Workforce Unit	348	-	348	303
	4,472	196	4,668	4,577
12 Communications, policy and research				
President's office*	-	-	-	169
Professional affairs	643	1	644	613
Committees	423	-	423	378
Publications	1,184	-	1,184	1,114
External communications	1,703	62	1,765	1,822
	3,953	63	4,016	4,096
13 Heritage and investing in our future				
Library and museum services	1,568	-	1,568	1,526
RCP500	-	-	-	687
RCP North	697	-	697	505
	2,265		2,265	2,718

*President's office costs for 2019 excluding overheads were £230k and these have been reallocated to the charitable cost centres for the year.

Notes to the financial statements continued

14 Expenditure on	Direct costs	Staff costs	Other support costs	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Raising funds					
Fundraising and publicity costs	8	176	69	253	230
Investment management fees	159	-	-	159	135
Meetings and events (non-medical)	878	-	835	1,713	1,569
Charitable expenditure					
Care quality improvement	2,331	5,800	2,474	10,605	11,356
Education and Federation	3,696	5,467	4,975	14,138	15,262
Membership support and global engagement	930	1,833	1,905	4,668	4,577
Communications, policy and research	659	2,254	1,103	4,016	4,096
Heritage and investing in our future	271	1,026	968	2,265	2,718
Meetings and events (medical)	3,042	1,271	1,703	6,016	5,265
Trusts and fellowships	45	-	21	66	115
Total for 2019	12,019	17,827	14,053	43,899	45,323
Total for 2018	14,494	18,217	12,612	45,323	
				2019	2018
The analysis of other support costs is as follows:				£000	£000
Administrative overheads				1,481	1,428
Information technology costs				3,406	2,911
Building overheads				2,372	2,114
Travel, meetings, subscriptions and journals				705	1,516
Governance costs*				62	104
Other costs, including staff costs of central services				6,027	4,539
				14,053	12,612

*Governance costs include fees payable to the auditors from audit fees of £41.5k (2018: £40.75k) and non-audit services of £2k (2018: £3k).

Notes to the financial statements continued

15	Employees and trustees	2019	2018
	The total costs of salaries and wages were as follows:	£000	£000
	Salaries and wages	14,949	15,198
	Social security costs	1,544	1,586
	Pension Costs	1,334	1,433
		17,827	18,217
		2019	2018
	The average number of employees in the year was:	414	426
	The number of employees whose emoluments exceeded £60,000 were:		
	£60,001–£70,000	12	15
	£70,001–£80,000	5	3
	£80,001–£90,000	3	3
	£90,001–£100,000	6	6
	£100,001–£110,000	1	1
	£110,001–£120,000	-	-
	£120,001–£130,000	-	-
	£130,001–£140,000	-	-
	£140,001–£150,000	1	1
		2019	2018
			(restated)
15a	Key management personnel	£000	£000
	Total employee benefits paid to key management personnel (Including pension contributions)	1,156	1,137
		2019	2018
15b	Termination payments		
	No of payments	11	5
	Value of payments (£000)	90	82
15c	Payments to trustees	2019	2018
	No of payments made to trustees, this includes payments to officers supporting their defined roles as senior officers as well as their trustee roles. No other remuneration was paid to trustees from the RCP in the current or preceding years.	15	13
	Value of payments (£000)	48	36

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

Twenty-five (2018: 18) of the above employees are members of the defined contribution pension scheme, three are members of the GPP scheme (2018: 2) and three are also members of the defined benefit pension scheme (2018: 3), which is now closed. Contributions paid into the defined contribution pension scheme for the employees for the year was £1,334k (2018: £1,433k).

Notes to the financial statements continued

16a Intangible IT assets (Group and RCP)	Intangible IT assets in use	Intangible IT assets under construction	Total 2019
	£000	£000	£000
Cost at 1 January 2019 *	3,933	348	4,281
Additions	246	229	475
Transfers/adjustments	348	(348)	-
Cost at 31 December 2019	4,527	229	4,756
Accumulated amortisation at 1 January 2019	(1,837)	-	(1,837)
Amortisation for the year	(901)	-	(901)
Accumulated amortisation at 31 December 2019	(2,738)	-	(2,738)
Net book value at 31 December 2019	1,789	229	2,018
Net book value at 31 December 2018	2,096	348	2,444

16b Tangible assets (Group and RCP)	Leasehold properties	Furniture and fixtures	IT & AV Tangible assets	Assets under construction	Total 2019
	£000	£000	£000	£000	£000
Cost at 1 January 2019 *	22,033	806	1,739	475	25,053
Additions	701	488	190	868	2,247
Transfers/adjustments	-	-	257	(257)	-
Disposals	-	(55)	-	-	(55)
Cost at 31 December 2019	22,734	1,239	2,186	1,086	27,245
Accumulated depreciation at 1 January 2019 (reclassified & restated)	(11,468)	(378)	(1,166)	-	(13,012)
Depreciation for the year	(1,038)	(378)	(55)	-	(1,471)
Disposals	-	-	-	-	-
Accumulated depreciation at 31 December 2019	(12,506)	(756)	(1,221)	-	(14,483)
Net book value at 31 December 2019	10,228	483	965	1,086	12,762
Net book value at 31 December 2018	10,565	428	573	475	12,041

*Intangible assets in use in 2019 include the assets previously shown under the Membership and KISS project header. IT assets have been reclassified with effect from the start of the comparative period with no impact on the net position.

The majority of the costs of tangible assets under construction relates to development fees and costs associated with RCP at The Spine.

17 Investments (Group and RCP)	-----Unrestricted-----				Total	
	Designated for leasehold	General	Restricted	Endowment	2019	2018
	£000	£000	£000	£000	£000	£000
Market value at 1 January 2019	4,283	29,232	1,801	8,585	43,901	49,497
Additions at cost	17	5,402	-	-	5,419	74
Disposals	(87)	(4,751)	-	-	(4,838)	(2,663)
Loss/gains	144	2,473	73	1,022	3,712	(3,007)
Total investments at 31 December 2019	4,357	32,356	1,874	9,607	48,194	43,901
Historical cost as at 31 December 2019	4,253	21,401	1,460	7,483	34,597	30,969
The above investments are held as follows:					2019	2018
					£000	£000
Equities					23,455	20,369
Bonds					2,567	2,454
Multi-asset funds					4,333	12,796
Alternatives					6,249	6,404
Cash					11,590	1,878

Notes to the financial statements continued

18 Debtors (Group and RCP)	2019		2018	
	Group	RCP	Group	RCP
	£000	£000	£000	£000
Trade debtors	1,570	1,465	2,639	2,444
Other debtors	731	648	151	151
Prepayments	995	996	754	754
Accrued income	951	952	784	784
	4,247	4,061	4,328	4,133

19 Creditors due within 1 year (Group and RCP)	2019		2018	
	Group	RCP	Group	RCP
	£000	£000	£000	£000
Trade creditors	4,737	4,158	3,667	3,240
Other creditors	2,866	2,799	1,678	1,669
Tax and social security creditors	413	413	256	250
Accruals	3,154	3,140	3,660	3,660
Amount due to subsidiary undertaking	-	388	-	200
	11,170	10,898	9,261	9,019
Examination and other income received in advance (Group and RCP)	Balance b/f 1 Jan 19	Released to SOFA	Received in year	Balance c/f 31 Dec 19
	£000	£000	£000	£000
Examination income	3,640	(3,640)	4,700	4,700
Other income	2,593	(2,593)	1,588	1,588
	6,233	(6,233)	6,288	6,288

20 Financial assets and liabilities	2019	2018
	£000	£000
Financial assets held at fair value	48,194	43,901
Gains/(losses) on assets held at fair value	3,712	(3,007)

During 2019 the organisation was approved for a £10m credit facility with Santander to fund the RCP at The Spine development. The facility has not been used during the year and is secured on the College's investment portfolio.

Notes to the financial statements continued

21 Unrestricted funds		-----Designated-----				Unrestricted	Total
		Leasehold replacement fund	Fixed and intangible assets fund	Legacies development fund	Care quality improvement*		
		£000	£000	£000	£000	£000	£000
Net income		-	-	-	-	(1,634)	(1,634)
Leasehold replacement fund							
	Transfers from general funds and additions to portfolio	(70)	-	-	-	70	-
Care quality improvement*							
	Transfers to/from general funds	-	-	-	-	-	-
Fixed and intangible assets fund							
Capitalised this year :							
Projects	Intangible	-	475	-	-	(475)	-
	Tangible	-	2,247	-	-	(2,247)	-
Disposal	Intangible	-	-	-	-	-	-
	Tangible	-	(55)	-	-	55	-
of assets :							
Depreciation	Intangible	-	(901)	-	-	901	-
	Tangible	-	(1,471)	-	-	1,471	-
Legacies development fund							
Income/(expenditure) for the year		-	-	2	-	(2)	-
Net incoming / (outgoing) resources for the year after transfers		(70)	295	2	0	(1,861)	(1,634)
Gains on investments		144	-	-	-	2,473	2,617
Transfer from restricted fund – Care quality improvement		-	-	-	64	(30)	34
Pension scheme actuarial loss (FRS 17)		-	-	-	-	(1,874)	(1,874)
Net movement in funds		74	295	2	64	(1,292)	(857)
Brought forward as at 1 January 2019		4,283	14,485	145	115	14,970	33,998
Carried forward as at 31 December 2019		4,357	14,780	147	179	13,678	33,141

*formerly Clinical Standards

Leasehold replacement fund – this represents funds earmarked and invested separately by the RCP as security against the declining value of leases and £208k being part of a legacy received in 2001 and 2002 and designated by the trustees to this fund.

Fixed and intangible assets fund – this represents 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. It is expected that these funds will be used within the next year.

Notes to the financial statements continued

22 Restricted funds	Balance at 01/01/2019	Income	Expenses	Gains	Transfers	Balance at 31/12/2019
	£000	£000	£000	£000	£000	£000
Care quality improvement*	693	2,274	(2,311)	-	(36)	620
National Guideline Centre	-	3,055	(3,057)	-	2	-
Education	296	1,034	(368)	-	-	962
Faculty of Medical Leadership and Management	767	-	(767)	-	-	-
Membership support and global engagement***	187	35	(44)	-	-	178
Drabu MTI Programme	-	65	(28)	-	-	37
Physicians for Africa***	87	61	(124)	-	-	24
Eric Watts donation	-	100	-	-	-	100
RCP North**	43	57	-	-	-	100
Physicians' Fund**	89	31	-	-	-	120
External communications	55	83	(63)	-	-	75
Dr Everley-Jones legacy	281	11	(1)	29	-	320
Harold Thomas Barten Trust	93	4	-	9	-	106
Frank Peacock Bequest	57	2	-	6	-	65
Catherine Mills Bequest	62	2	-	6	-	70
Queenie Louisa Higgins Bequest	41	2	-	4	-	47
Thomas Cotton Trust	68	-	-	-	5	73
The London Fever Hospital Fund	12	-	-	-	3	15
The Saltwell Will Trust Research Branch	100	-	-	-	24	124
Will Edmunds Clinical Research Trusts	18	-	-	-	6	24
17 other funds balances below £40,000	238	46	(7)	19	-	296
Total	3,187	6,862	(6,770)	73	4	3,356

*formerly Clinical Standards

**formerly Fundraising

***formerly included in Membership support and global engagement

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

The grants for Care quality improvement, Education and Membership support and global engagement 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

In December 2018 an agreement was signed to gift the net assets and ongoing operation of The Faculty of Medical Leadership and Management into an independent registered charity as at 1 January 2020. The Faculty of Medical Leadership and Management had previously operated as a restricted fund within the RCP with the transfer of funds made on 31 December 2019.

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

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

Notes to the financial statements continued

23 Endowment funds	Unapplied total return 01/01/2019	Income	Gains	Conversion to income	Transfers	Unapplied total return 31/12/2019	'Frozen' permanent capital 31/12/2019	Total endowment 31/12/2019
	£000	£000	£000	£000	£000	£000	£000	£000
Bradshaw Trust	164	11	34	(6)	-	203	143	346
Eden Fellowship in Paediatrics	960	41	110	(9)	-	1,102	142	1,244
John Rosser Scholarship	20	3	6	-	-	29	42	71
Joseph Senior White Trust	69	10	23	(1)	-	101	161	262
Lewis Thomas Gibbon Jenkins-Briton Ferry	999	86	224	(12)	-	1,297	1,250	2,547
ORL Wilson Bequest	88	5	13	(1)	-	105	44	149
James Maxwell Grant Proffit Bequest	316	32	88	(3)	-	433	539	972
Sadleir Trust	305	15	39	(2)	-	357	91	448
Samuel Leonard Simpson Fellowship	513	30	79	(9)	-	613	280	893
T K Stubbins bequest	33	5	15	(13)	-	40	104	144
Watson Smith Trust	404	34	88	(4)	-	522	470	992
William Withering Prize	114	6	15	(1)	-	134	38	172
Dr J D Ramsay Scholarship	37	3	7	(1)	-	46	30	76
Graham Bull Prize	42	3	7	(1)	-	51	25	76
Sir Michael Perrin Lecture	64	4	8	0	-	76	12	88
Lady Teale Lecture	79	5	12	(1)	-	95	44	139
John Glyn	77	6	16	(4)	-	95	80	175
Dame Sheila Kift Bequest	26	2	6	-	-	34	38	72
17 other funds with balances below £40,000	152	10	25	(26)	-	161	109	270
Subtotal	4,462	311	815	(94)	-	5,494	3,642	9,136

Funds not included in total return	Balance at 01/01/2019	Income	Gains	Conversion to income	Transfers	'Frozen' permanent capital	Balance at 31/12/2019
	£000	£000	£000	£000	£000	£000	£000
Thomas Cotton Fund	140	5	40	-	(5)	-	180
The London Fever Hospital Research Fund	148	3	20	-	(3)	-	168
Saltwell Will Trust Research Branch	806	24	118	-	(24)	-	924
Will Edmunds Clinical Research Fund	418	6	29	-	(6)	-	447
Drabu Fund	-	120	-	-	-	-	120
Subtotal	1,512	158	207	-	(38)	-	1,839
Total endowment	5,974	469	1,022	(94)	(38)	3,642	10,975

The Drabu Fund endowment was received from the Drabu family in year, to be used for the placement of trainees from India (State of Jammu and Kashmir) and Pakistan to work in the UK for 2 years within palliative care to enhance their skills and learning.

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 (1800–66): £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 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 (1633–84), 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.
- > The Cotton Trust was founded by a bequest from Dr Thomas Forrest Cotton FRCP (1884–1965), in memory of Sir William Osler Bt FRCP FRS (1849–1919). The legacy, received in 1968, is invested and managed by the trustees of The Royal Trust Corporation of Canada/The Royal Trust Company, and the income is paid to RCP.
- > The London Fever Hospital Research Fund was established in 1947 for the trustees in the encouragement of or reward for advances in the prevention, treatment and housing of infectious diseases.
- > Saltwell Will Trust Research Branch was established for the income generated to be used to aid research work in connection with and the cure and prevention of cancer, rheumatism, malaria and morbid conditions of the prostate gland.
- > Will Edmunds Clinical Research Fund was established in 1925 to award a fellowship in clinical research in hospitals in the Metropolitan area of London. The research must concern diseases usually treated at a general hospital, excluding tropical and rare diseases.

Notes to the financial statements continued

24 Analysis of group net assets after pension scheme liability

				Total		
		Intangible and tangible assets	Investments	Net current assets inc. pension liability	2019	2018
		£000	£000	£000	£000	£000
Unrestricted:						
Designated	Leasehold Replacement Fund	-	4,357	-	4,357	4,283
	Fixed Assets Fund	14,780	-	-	14,780	14,485
	Legacies Development Fund	-	-	147	147	145
	Care quality improvement	-	-	179	179	115
		14,780	4,357	326	19,463	19,028
General funds		-	32,356	(18,678)	13,678	14,970
		14,780	36,713	(18,352)	33,141	33,988
Restricted		-	1,874	1,482	3,356	3,187
Endowment		-	9,607	1,368	10,975	9,616
		14,780	48,194	(15,502)	47,472	46,801

Notes to the financial statements continued

25 Trading subsidiary – The RCP Regent’s Park Limited

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

	2019	2018
	£000	£000
Profit and loss account		
Turnover	1,772	1,831
Cost of sales	(807)	(758)
Gross profit	965	1,073
Administrative expenses	(906)	(811)
Operating profit	59	262
Gift aid to Royal College of Physicians	(59)	(965)
Retained profit for the financial year	-	(703)

Included within operating costs is £819k (2018: £336k), which represents a reimbursement in respect of costs incurred by the RCP.

	2019	2018
	£000	£000
Balance sheet		
Debtors	187	199
Debtor – due from RCP	388	187
Balance at bank	87	47
Current and total assets	662	433
Creditors due within 1 year:	(661)	(432)
Total creditors	(661)	(432)
Net assets	1	1
Capital and reserves		
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 2019 was £59k (2018: £262k).

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.

Notes to the financial statements continued

26 Pension schemes

Total pension costs charged for the year were £76k (2018: £136k) for the defined benefit pension scheme and employer pension contributions of £1,334k (2018: £1,443k) for the defined contribution pension scheme.

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

The defined benefit pension scheme is closed to new members and closed to future accrual. There is no further salary linkage. For the purposes of FRS 102 the valuation of the defined benefit scheme has been calculated under FRS 102 as at 31 December 2019 by a qualified actuary.

The valuation, details of which are given below, shows £18.24 million of assets and £22.48 million of liabilities. The deficit of £4.24 million represents an increase in the deficit of £1.27 million compared with 2018. This is mostly due to actuarial adjustments.

The scheme's assets and liabilities as at 31 December 2019, analysis of pension costs and details of the valuation were as follows:

Principal assumptions	2019	2018	2017	2016	2015
	% per annum	% per annum	% per annum	% per annum	% per annum
Discount rate	2.00	2.9	2.5	2.7	3.7
Aggregate long-term expected rate of return on assets	2.00	2.9	2.5	2.7	3.7
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	3.2	3.6	3.4
CPI inflation assumption for deferred pensions	2.00	2.25	2.2	2.6	2.4
Pension increases	2.95	3.15	3.1	3.4	3.3
Pension commencement lump sum taken at retirement	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value	18.75% of benefit value

Mortality tables: 90% of S2PMA tables for males and 80% of S2PFA tables for females using CMI 2018 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 Standard Life, Newton Investment Management and Legal and General Investment Management, together with the trustees' bank account. The assets in the scheme and the expected rate of return were:

Assets breakdown	2019	2018
	%	%
Real return and absolute return funds	-	49
Diversified Growth Fund	28.3	-
UK Government index-linked gilts	-	32.3
Corporate bonds	-	-
Multi asset credit	25.7	-
UK corporate bonds	14.4	9.6
Liability driven investments	22.8	-
Private wealth account	-	-
Cash	8.8	9.1
Total market value of assets	100	100

Notes to the financial statements continued

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	2019	2018
	£000	£000
Pension scheme liability at the beginning of the year	(2,978)	(5,914)
Actuarial losses and gains on present value of obligations	(2,470)	2,041
Experience gains and losses on defined benefit obligations	-	581
Gains/(losses) on return of scheme assets	596	(517)
Employer contributions	685	967
Net interest on the net defined benefit liability	(76)	(136)
	(4,243)	(2,978)

Reconciliation of the opening and closing balances of scheme liabilities	2019	2018
	£000	£000
Present value of scheme liabilities at beginning of the year	19,966	22,604
Interest cost	571	558
Actuarial (loss)/gain on scheme liability assumption changes	2,470	(2,622)
Benefits paid	(525)	(574)
Present value of scheme liabilities at the end of the year	22,482	19,966

Reconciliation of the opening and closing balances of the fair value of assets	2019	2018
	£000	£000
Fair value of scheme assets at beginning of the year	16,988	16,690
Interest income	495	422
Return on scheme assets	596	(517)
Employer contributions	685	967
Benefits paid	(525)	(574)
Fair value of scheme assets at the end of the year	18,239	16,988

Reconciliation of the present value of scheme liabilities and fair value of assets to the asset and liability recognised in the balance sheet	2019	2018
	£000	£000
Fair value of scheme assets	18,239	16,988
Value of liabilities (defined benefit obligation)	(22,482)	(19,966)
Funded status	(4,243)	(2,978)
Recognised pension scheme liability	(4,243)	(2,978)

Analysis of pension scheme assets and liabilities for the current and previous five financial periods	2019	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000	£000
Present value of scheme liability	(22,482)	(19,966)	(22,604)	(22,962)	(18,925)	(20,355)
Fair value of scheme assets	18,239	16,988	16,690	15,683	13,870	13,868
Deficit	(4,243)	(2,978)	(5,914)	(7,279)	(5,055)	(6,487)

At the date of the last triennial statutory actuarial assessment as at 1 January 2018, the market value of the scheme was £16.7 million and the actuarial value of those assets represented 74% of the value of the benefits which had accrued at that date, allowing for future pension increases.

Notes to the financial statements continued

27 Lease obligations	2019	2018
	£000	£000
Operating leases on land and buildings, by expiry date:		
Under 1 year	182	229
1 to 5 years	71	152
5 years plus	22	-
Total future minimum operating lease commitments	275	381
Operating leases on office equipment and computers, by expiry date:		
Under 1 year	2	2
1 to 5 years	2	4
5 years plus	-	-
Total future minimum operating lease commitments	4	6

In 2018 the RCP entered into an agreement with the University of Liverpool to lease 15,290 square feet of office space for purposes of holding examinations, conferences, events and an administration office for a period of 3 years, with effect from 1 September 2018. The operating lease commitment on this agreement is £229,350 per annum being rates and service charges.

In August 2019 the RCP signed an agreement for lease for 71,352 square feet over seven floors of 'The Spine' with Liverpool City Council for 25 years. The rental for the total period is £28.7 million.

28 Related party transactions

The Royal College of Physicians, a charity registered (charity number 210508) in England and Wales, is the ultimate controlling parent of its subsidiary undertaking, The RCP Regent's Park Limited, which is consolidated on a line-by-line basis in these group accounts. During the year the Royal College of Physicians received £819k income from The RCP Regent's Park Limited. At 31 December 2019 the RCP owed £388k to The RCP Regent's Park Limited. There were no other related party transactions in the period.

Notes to the financial statements continued

29 Comparative notes from the prior year

a Consolidated statement of financial activities for the year ended 31 December 2018

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total funds	
		£000	£000	£000	31 Dec 2018	31 Dec 2017
					£000	£000
Incoming resources						
Fundraising	2	170	82	-	252	151
Income from charitable activities						
Care quality improvement	3	3,617	5,526	-	9,143	9,909
Education and Federation	4	16,208	1,801	-	18,009	16,946
Membership support and global engagement	5	8,179	257	-	8,436	7,786
Communications, policy and research	6	77	98	-	175	187
Heritage and investing in our future	7	69	10	-	79	17
Meetings and events (medical)		4,115	-	-	4,115	3,578
Activities to generate funds						
Investment income	8	639	96	298	1,033	1,215
Meetings and events (non-medical) –	25	1,831	-	-	1,831	1,890
Other income		108	-	-	108	80
Total income		35,013	7,870	298	43,181	41,759
Resources expended						
Expenditure on raising funds						
Fundraising costs		230	-	-	230	512
Investment management fees		95	3	37	135	129
Meetings and events (non-medical)		1,569	-	-	1,569	1,187
		1,894	3	37	1,934	1,828
Expenditure on charitable activities						
Care quality improvement	9	5,129	6,227	-	11,356	12,609
Education and Federation	10	13,484	1,778	-	15,262	13,912
Membership support and global engagement	11	4,278	299	-	4,577	4,261
Communications, policy and research	12	4,026	70	-	4,096	5,001
Heritage and investing in our future	13	2,708	10	-	2,718	1,948
Meetings and events (medical)		5,265	-	-	5,265	5,009
Trusts and fellowships		-	62	53	115	889
Total expenditure	14	36,784	8,449	90	45,323	45,457
Net operating loss		(1,771)	(579)	208	(2,142)	(3,698)
Net gains on investment assets		(2,294)	(63)	(650)	(3,007)	2,114
Net (expenditure)/income		(4,065)	(642)	(442)	(5,149)	(1,584)
Transfers between funds	21/22	(25)	25	-	-	-
Actuarial gains/(losses) on defined benefit	26	2,105	-	-	2,105	582
Net movement in funds for the year		(1,985)	(617)	(442)	(3,044)	(1,002)
Funds brought forward at 1 Jan 2018	21/22/23	35,983	3,804	10,058	49,845	50,847
Funds carried forward at 31 December 2018		33,998	3,187	9,616	46,801	49,845

Notes to the financial statements continued

b Restricted funds 2018

Restricted funds	Balance at 01/01/2018	Income and net gains	Expenses	Transfers	Balance at 31/12/2018
	£000	£000	£000	£000	£000
Care quality improvement	1,369	2,292	(2,993)	25	693
Education	253	263	(220)	-	296
National Guideline Centre	-	3,234	(3,234)	-	-
Faculty of Medical Leadership and Management	787	1,538	(1,558)	-	767
Membership support and global engagement	316	257	(299)	-	274
Fundraising	102	82	-	-	184
Library and museum services	-	10	(10)	-	-
External communications	27	98	(70)	-	55
Dr Everley-Jones legacy	303	12	(34)	-	281
Harold Thomas Barten Trust	97	3	(7)	-	93
Frank Peacock Bequest	59	2	(4)	-	57
Catherine Mills Bequest	64	3	(5)	-	62
Queenie Louisa Higgins Bequest	43	1	(3)	-	41
Thomas Cotton Trust	94	3	(29)	-	68
The London Fever Hospital Fund	11	4	(3)	-	12
The Saltwell Will Trust Research Branch	73	52	(25)	-	100
Will Edmunds Clinical Research Trusts	14	9	(5)	-	18
13 other funds balances below £40,000	192	7	(13)	-	186
Total	3,804	7,870	(8,512)	25	3,187

Notes to the financial statements continued

c Endowment funds 2018

Endowment funds	Unapplied total return 01/01/2018	Income and gains	Conversion to income	Transfers	Unapplied total return 31/12/2018	'Frozen' permanent capital 31/12/2018	Total endowment 31/12/2018
	£000	£000	£000	£000	£000	£000	£000
Bradshaw Trust	219	12	(67)	-	164	143	307
Eden Fellowship in Paediatrics	1,013	39	(92)	-	960	142	1,102
John Rosser Scholarship	23	2	(5)	-	20	42	62
Joseph Senior White Trust	79	8	(18)	-	69	161	230
Lewis Thomas Gibbon Jenkins-Briton Ferry	1,095	79	(175)	-	999	1,250	2,249
ORL Wison Bequest	93	5	(10)	-	88	44	132
James Maxwell Grant Proffit Bequest	384	31	(99)	-	316	539	855
Sadleir Trust	320	14	(29)	-	305	91	396
Samuel Leonard Simpson Fellowship	551	28	(66)	-	513	280	793
T K Stubbins bequest	54	5	(26)	-	33	104	137
Watson Smith Trust	450	32	(78)	-	404	470	874
William Withering Prize	120	5	(11)	-	114	38	152
Dr J D Ramsay Scholarship	40	2	(5)	-	37	30	67
Graham Bull Prize	45	2	(5)	-	42	25	67
Sir Michael Perrin Lecture	67	3	(6)	-	64	12	76
Lady Teale Lecture	85	4	(10)	-	79	44	123
Dr Samuel Gee's Endowment Fund	20	2	(5)	-	17	26	43
John Glyn	84	6	(13)	-	77	80	157
Dame Sheila Kift Bequest	29	2	(5)	-	26	38	64
16 other funds with balances below £40,000	133	17	(15)	-	135	83	218
Subtotal	4,904	298	(740)	-	4,462	3,642	8,104

Funds not included in total return	Balance at 01/01/2018	Income	Expenses and losses	Transfers	Unapplied total return 31/12/18	'Frozen' permanent capital	Balance at 31/12/2018
	£000	£000	£000	£000	£000	£000	£000
Thomas Cotton Fund	140	-	-	-	-	-	140
The London Fever Hospital Research Fund	148	-	-	-	-	-	148
Saltwell Will Trust Research Branch	806	-	-	-	-	-	806
Will Edmunds Clinical Research Fund	418	-	-	-	-	-	418
Subtotal	1,512	-	-	-	-	-	1,512
Total endowment	6,416	298	(740)	-	4,462	3,642	9,616

Notes to the financial statements continued

d Analysis of group net assets after pension scheme liability 2018

Analysis of group net assets after pension scheme liability				Total	
	Intangible and tangible assets	Investments	Net current assets inc. pension liability	2018	2017
	£000	£000	£000	£000	£000
Unrestricted:					
Designated					
Leasehold Replacement	-	4,283	-	4,283	4,483
Fixed Assets Fund	14,485	-	-	14,485	14,488
Legacies Development	-	-	145	145	1,297
Care quality	-	-	115	115	160
	14,485	4,283	260	19,028	20,428
General funds	-	29,232	(14,262)	14,970	15,550
	14,485	33,515	(14,002)	33,988	35,978
Restricted	-	1,801	1,386	3,187	3,809
Endowment	-	8,585	1,031	9,616	10,058
	14,485	43,901	(11,585)	46,801	49,845

30 Capital commitments

The Royal College of Physicians had a capital commitment of £430k as at 31 December 2019 (2018: nil) in respect of the development of the Spine building.

31 Post balance sheet event

Between the financial year end on 31 December 2019 and the date of signing these financial statements, COVID-19 has had a significant impact on the operations of RCP. There has been significant turbulence in world stock markets since the start of 2020. This was mainly due to concerns about the current and potential impact on the global economy of the COVID-19 outbreak. The MSCI World Index fell 8.7% in the 6 months to June 2020 and the UK equity index fell 19.5% over the same period. The RCP's portfolio was valued at £42.3 million in June 2020, down from £48.2 million on 31 December 2019. £5 million has been liquidated during this period to support the RCP during the pandemic.

Since the year end COVID-19 has impacted RCP operations with the temporary suspension of clinical accreditation assessment visits, a move online for educational and assessment activities where appropriate, increased member communications and the cancellation of events and conferences. The COVID-19 outbreak has caused exams to be cancelled during 2020 – these balances have been included within deferred income of £4.7 million. £0.68 million has been refunded to June 2020 but the majority have been rescheduled for later in the year and this is therefore being treated as a non-adjusting event with no material impact in 2019.



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