



ROYAL
COLLEGE *of*
PHYSICIANS *of*
EDINBURGH

Royal College of Physicians of Edinburgh

Annual Report and Accounts

For the year ended 31 January 2024

A charity registered in Scotland, no. SC009465

Royal College of Physicians of Edinburgh Annual Report and Accounts For the year ended 31 January 2024

Treasurer's Report

It is my pleasure, as College Treasurer, to present the Annual Report and Accounts for 2023/2024, which reviews the activities and achievements of the College over the financial year to 31 January 2024.

This Report provides a range of information required by the Office of the Scottish Charity Regulator (OSCR) and other regulatory bodies on the operations of the College, as both an independent, professional medical body and as a Scottish charity.

Our published 2023-2025 strategy prioritises our involvement in shaping healthcare policy, delivering lifelong learning, growing our community and setting and maintaining standards in healthcare governance. As a truly international College, with more than half of our 14,500 Fellows and Members living and working out with the UK, our purpose is to deliver this worldwide. This fits with our reputation as an inclusive and welcoming College with the highest standards. Our Fellows and Members continue to be at the heart of everything that we do and we remain well placed to provide practical guidance, resources and information to support the work and welfare of our Fellows and Members.

This report covers a period of great geopolitical uncertainty and economic challenges. Despite this the College has been relentless in its continued focus on growth, as we extend our reach and services coupled with our strategy to deliver our services as cost effectively as we can.

We continue to work closely with our Federation partners, the *Royal College of Physicians* and the *Royal College of Physicians and Surgeons of Glasgow*, to provide postgraduate training, continuing professional development and the global delivery of the MRCP(UK) examination. Throughout 2023/24, we worked tirelessly with Federation and our sister Colleges to increase our delivery capacity, both in the UK and internationally. Supporting early career physicians to move smoothly and quickly through key stages of their training remains a primary focus. Increasingly, our attention is directed to working collaboratively with our Federation colleagues to improve the underlying IT infrastructure supporting the MRCP(UK) examination and to enhance the financial management and governance of this important partnership.

Like many others, 2023-2024 has been a challenging year economically for us and whilst our turnover increased to just over £9 million, our end-of-year surplus, which is essential for re-investment in service development and delivery, came in at just over 4% (£0.42m). This was aided by generous bequests and an increased return on investments. Inflation and increasing costs, however, have been evident everywhere and this has increased the costs of delivering exams and education/training, with the latter alone increasing by around £0.49m in 2023/24.

Looking forward, inevitably like all other Royal Colleges, we continue to face a number of financial challenges, however, we will continue to work hard to address and mitigate against these pressures whilst maintaining an emphasis on delivering value for our Fellows and Members. I will continue to work with Council as we continue to progress our wider review of College governance and in the development of our five-year strategy.

Finally, I would like to extend my thanks to my colleagues on Council and the College Finance Committee who contribute voluntarily to the work of the College and give of their precious free time, and to the staff and management of the College who, as ever, have worked tirelessly.

Dr Kathleen White, FRCP Edin.

Treasurer

Royal College of Physicians of Edinburgh

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The Council of the Royal College of Physicians of Edinburgh ('the College') is pleased to present its annual report for the year ended 31 January 2024, together with the financial statements for the same period. The annual report and accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting and Reporting by Charities and Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Reference and administrative details

Charity name: Royal College of Physicians of Edinburgh
Charity registration number: SC009465
Principal office: 11 Queen Street, Edinburgh, EH2 1JQ
Main website address: <http://www.rcpe.ac.uk/>
Events website address: <https://venue.rcpe.co.uk/>

Charity Trustees

The Charity Trustees comprise elected and appointed members of Council.

Elected members of Council

Fellows based in the UK elect the constituency members of Council, and all UK and international Fellows elect the President and Vice Presidents. UK Collegiate Members elect the members of the Trainees and Members' Committee, who in turn formally elect a Chairman and Secretary who serve on Council ex officio.

The Royal Charter mandates for elections to be held annually for elected members. To ensure continuity and retention of experience, elected members serve by convention a minimum of three consecutive annual terms but no more than six consecutive annual terms. Annual elections took place most recently in June 2023.

The elected members comprised:

President:	Professor Andrew Elder
Vice Presidents:	Professor Sunil Bhandari (England & Wales) Dr Conor Maguire (International) Dr Susan Pound (Scotland and Northern Ireland)
Constituency members:	Dr Neeraj Bhala Dr Patricia Cantley Dr Laura Clark Dr Andrew Coull Dr Hamish Courtney Dr Alison Falconer Dr Hasnain Jafferbhoy (elected June 2023) Dr Catherine Labinjoh Dr Helen Liddicoat Dr Emmanuel Kofi Obuobie (demitted June 2023) Dr Kevin O'Kane Dr Sharan Ramakrishna (elected June 2023) Dr Caroline Scally Dr Arjune Sen Dr Soon Hoo Song (elected June 2023) Dr Jane Wallace Dr Caroline Whitworth (demitted June 2023)
Other elected members:	Dr Marilena Giannoudi (Trainees and Members' Committee Chair) (elected September 2023) Dr Jonathan Guckian (Trainees and Members' Committee Co-chair) (demitted September 2023) Dr Hannah Preston (Trainees and Members' Committee Co-chair) (demitted January 2024)

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Appointed members of Council

All appointed members (including honorary Office Bearers and faculty representatives) serve on Council ex-officio, are appointed by Council itself and serve annual terms, usually up to a maximum of 6 years. The appointed members comprised:

Treasurer	Dr Kathleen White	
Secretary	Professor Mark Strachan	
Dean of Education	Dr Kerri Baker	
Dean of Examinations	Dr Rod Harvey	(demitted August 2023)
	Dr Matt Thomas	(appointed September 2023)
Dean of Quality Improvement	Vacant	
Dean of Training	Dr Dawn Ashley	(demitted February 2024)
	Vacant	
Director of Heritage and Honorary Librarian	Professor Angela Thomas	
Chair of Equality, Diversity & Inclusivity Grp	Dr MaryAnn Ferreux	

Other appointed members:

Professor Linda Bauld (Faculty of Public Health)	
Professor Sunil Bhandari (Academic Medicine)	
Alex MacDonald (College Lay Advisory Committee)	
Professor Angela Thomas (Faculty of Pharmaceutical Medicine)	(demitted November 2023)
Dr Frank Armstrong	(appointed November 2023)

Other principal Office Bearers

Editor-in-Chief of the Journal	Dr Graeme Currie
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Trustees

Council appoints four Fellows who, together with the Treasurer (ex officio), act as Trustees and have delegated authority to manage the investment portfolio. The Trustees comprised:

Professor John Connell
Professor Sir Alan Craft
Dr Deepak Dwarakanath
Ms Elaine Tait
Dr Kathleen White (Treasurer)

Key management personnel

Chief Executive Officer	Mr Keith McKellar
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Professional advisors

The College employs the services of the following professional organisations:

Auditors:

MHA
Chartered Accountants
6 Colme Street
Edinburgh
EH3 6AD

Bankers:

Bank of Scotland
75 George Street
Edinburgh
EH2 3EW

College Clerk:

Kenneth Pinkerton
Brodies LLP
58 Morrison Street
Edinburgh
EH3 8BP

Investment Managers:

Quilter Cheviot Ltd
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

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Structure, governance and management

Governing document

The College is constituted by Royal Charter and registered with the Office of the Scottish Charity Regulator (OSCR) and HM Revenue & Customs under charity number SC009465. The laws of the College specify governance arrangements and are amended as required at meetings of the College.

Governance and organisational structure

The College has delegated strategic and operational decision taking to Council, which, as the governing body, meets at least five times a year to manage the charitable activities of the College in accordance with its objectives. Council holds the President and Vice Presidents, the appointed Office Bearers and the Chief Executive Officer responsible for the implementation of College policy.

The College implements policy through a committee and departmental structure. The reporting line to Council is through a series of committees, which include the:

- Fellowship Committee;
- Trainees and Members' Committee;
- Education Strategy Group and various sub-committees;
- Finance Committee;
- Library and Heritage Committee; and the
- Lay Advisory Group.

It also discharges many of its assessment, specialist training and continuing professional development (CPD) duties through membership of the Federation of Royal Colleges of Physicians of the United Kingdom (the Federation). The Federation is a partnership of the three medical royal colleges of physicians in the UK, established to manage joint working in agreed areas such as assessment, specialist training and professional development activities, operating under a formal Memorandum of Agreement. The three partners involved are the Royal College of Physicians (London), the Royal College of Physicians Edinburgh and the Royal College of Physicians and Surgeons Glasgow.

Council delegates authority for the management of the investment portfolio to the appointed Trustees.

Recruitment and induction of Charity Trustees

All Fellows of the College who are in good standing are able to stand, nominate and vote for the office of President or Vice President of the College. Fellows of the College in good standing in the UK elect the constituency members of Council. UK Collegiate Members elect members of the Trainee and Members' Committee, who in turn formally elect a Chair and Vice Chairs, with two seats at Council. Office Bearers appointed to Council are selected through open competition. Fellows are invited to apply for Office Bearer roles and selection is made by an interview panel, normally comprising senior elected members of Council.

All those elected or appointed to Council are considered Charity Trustees.

On appointment or election, all elected or appointed Council members are given an induction session by the President or Chief Executive Officer. In addition, they receive literature explaining their obligations as a Charity Trustee, as well as updates on their responsibilities and related governance issues.

Arrangements for setting the pay and remuneration of key management personnel

The College considers that its key management personnel comprise the Office Bearers and Chief Executive Officer. No Trustees receive any remuneration beyond reimbursement of expenses incurred during College activities. The College's pay structure provides salaries commensurate with evaluated job descriptions for all employees including the Chief Executive Officer. Pay rates are reviewed annually by a remuneration sub-committee of the Finance Committee. Cost of living awards are negotiated with Unison through the Joint Negotiating Committee.

Affiliations and relationships with co-operating organisations

The College is a member of The Federation of Royal Colleges of Physicians of the United Kingdom along with the Royal College of Physicians (London) and the Royal College of Physicians and Surgeons of Glasgow. The Federation is a partnership of the three medical royal colleges of physicians in the UK established to manage joint working in agreed areas such as assessment, specialist training and professional development activities. In addition, the College is a member of both the Academy of Medical Royal Colleges, known as the 'UK Academy', and the Academy of Medical Royal Colleges and Faculties in Scotland, known as the 'Scottish Academy'. The UK Academy is a charity incorporated as a company limited by

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guarantee and speaks on standards of care and medical education across the UK, by bringing together the expertise of the medical Colleges and Faculties. The Scottish Academy is an unincorporated body comprising the College leads in Scotland and has a similar purpose to the UK Academy.

Grant making policy

The College holds a number of trusts and funds, which contain sums bequeathed or set aside for specific areas of research, education or a more general use. Each fund has specific criteria for usage as set out in the College Trust and Fund Framework. These criteria must be met before grants and awards are released.

The trusts and funds support a wider range of awards and scholarships which seek to recognise excellence in teaching, training, research and service innovation. They are advertised on a dedicated page on the College website at <http://www.rcpe.ac.uk/college/awards-and-scholarships>. Applications are normally considered on a case-by-case basis.

The College, in partnership with the University of Edinburgh, awards a number of scholarships to support postgraduate students taking an MSc in Internal Medicine or Critical Care. Applications are invited annually. The College also supports a number of research fellowships, the largest of which is the JMAS Sim Fellowship, which funds research into depressive illness. Applications are normally invited on an annual basis.

Objectives and activities

The Royal College of Physicians of Edinburgh's mission is to promote and improve the science and practice of medicine. Through its current cohort of over 14,500 Fellows and Members worldwide, it meets this purpose by maintaining standards of training, assessment and professional development and helping physicians and other medical practitioners pursue and enrich their careers by influencing health policy and through its world-renowned education and training programme.

In order to achieve its mission the College has set four strategic aims as part of its current strategy:

- To be the voice of physicians, shaping and influencing healthcare policy, maintaining and improving standards in education and training, and informing the public about key healthcare issues;
- Delivering lifelong learning to improve the practice of medicine by: (a) delivering a programme of outstanding, accessible education; (b) collaborating with other UK colleges; (c) using our library and heritage resources;
- Growing our College community by increasing Fellowship and Membership, promoting the value and benefits of belonging to an international community of physicians and their teams;
- Setting and maintaining standards in healthcare governance.

Achievements and performance

Membership

The Trainees and Members' Committee (T&MC) have continued their popular programme of Evening Medical Updates (EMU) in 2023-2024 with all events being held virtually but access given to live link sites across the UK and internationally. These EMUs have continued to receive excellent feedback.

The T&MC also ran their annual symposium, which took place at the Catalyst in Newcastle for 2024. There was an in person attendance with delegates also watching online. Over 300 delegates registered and 20 poster presentations were accepted for the event and the feedback from the event was very positive with a special note about the panel discussion entitled 'My biggest mistake'. In addition to this, the careers and communications work stream have continued to use X and Instagram to promote all College activity as well as raising awareness of other issues and the Committee has represented trainee members across a number of both internal and external committees.

The Recently Appointed Consultants' Committee ran two evening updates this year. The first event held in May 2023 focused on the topic of wellbeing in medicine bringing over 400 attendees to that event. The November event focused on the climate health emergency listening to speakers from across the globe on the topic. Over 400 registered for this event and the feedback from both of the events was well received. This last year also saw the RAC launch their podcast 'Consultant Conversations' with more planned into the next financial year.

Fellowship recruitment was steady and, in total, 375 new Fellows were elected in 2023. The retention of Fellows and Members continued to be very good, with the vast majority renewing their annual subscriptions. The President and Council were delighted to welcome New Fellows and their guests to New Fellows' Ceremonies and Dinners held in the College on 16 June and 17 November 2023; the Ceremonies continue to attract Fellows from the UK and around the world.

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The Fellowship Strategy Group (FSG) met regularly in 2023 and made a number of recommendations to Council which were approved. This included the introduction of tiered subscription rates for UK Collegiate Members which were approved and implemented for the 2023/24 subscription rates. The FSG also recommended to Council that the Laws should be amended to change the process of electing Honorary Fellows so that an Extraordinary Meeting would no longer be required; the Laws were subsequently amended at the Annual Meeting on 30 June 2023 and a number of Honorary Fellows were elected via the new Laws in 2023.

After input from a Short-life Working Group on Fellowship Recruitment and the FSG, Council agreed to allow self-nomination for election to Fellowship by doctors who are not RCPE College Members provided they hold a substantive NHS Consultant appointment.

Laws changes were approved at the Annual Meeting held on 30 June 2023 to define Student & Foundation Membership within the Laws for the first time, and to address disciplinary procedures for Associate Members and Student & Foundation Members. A number of other changes to the Laws relating to Fellowship and Membership issues were approved at the Extraordinary Meeting of the College held on 29 January 2024. The main change had been to clearly define that membership of this College is essentially Collegiate Membership rather than those who hold MRCP(UK), but also to allow Collegiate Members to use the post-nominal 'MRCP Edin' as well as MRCP(UK).

Regional Adviser elections were held for a number of Regions, and new Advisers were appointed for the South East Region, Egypt, Kenya, Oman, Caribbean, West Africa and the Karachi, Sind & Baluchistan region of Pakistan.

External relations

There was significant activity in media relations, engagement with stakeholders (including elected politicians and government ministers), parliamentary briefings, public consultation responses and matters of importance to Fellows and Members.

The recovery of the medical workforce from COVID-19 continues to be an important theme in medicine. In that regard, the Policy and Public Affairs team were heavily involved in the promotion of the annual physicians' census, which is a joint project that the College shares with the Royal College of Physicians of London, and the Royal College of Physicians and Surgeons of Glasgow. This year's census report reiterated the need for long-term strategic planning to grow the medical workforce and for robust retention policies to reduce the pressure on existing staff. The census results were disseminated to Fellows and Members, the wider public, and politicians.

The College held a programme of meetings with key political and policy stakeholders across the UK to discuss healthcare and wider policy issues related to the healthcare workforce and ongoing challenges within public health and medicine. Engagement with key parliamentary and civil service stakeholders has continued, including meetings with the Scottish Government Cabinet Secretary for Health and Social Care and Members of the Scottish Parliament's Health, Social Care and Sport Committee.

The College was pleased to organise and staff an exhibition stand at the Scottish Parliament, 8-12 January 2023. The Policy and Public Affairs team was joined by the President of the College on 10 January. The exhibition's theme was the recruitment and retention of medical staff in Scotland. During the exhibition, the College communicated with over 35 Members of the Scottish Parliament, including the First Minister of Scotland and other Scottish Government Ministers.

The College continues to be represented at various cross-party groups at the Scottish Parliament, host Scottish Health Action on Alcohol Problems (SHAAP), is a founder member of the Scottish Obesity Alliance, and is a member of the UK Health Alliance on Climate Change and the NCD Alliance Scotland which is coordinated by the British Heart Foundation (Scotland).

The College's Lay Advisory Committee (LAC) met regularly throughout the year and continue to exert a positive influence over the College's strategy and policy positions. In May 2023 the Policy and Public Affairs team assisted in organising the Lay Advisory Committee's successful discussion evening event on "Patient Flow in Acute Settings: Moving from Crisis to Solution" held in the College and online. The event involved speakers and attendees from many disciplines and included physicians, carers, local government representatives and the care home sector. Feedback from the event was extremely positive and given the level of interest in the issues around patient flow and delayed discharge, the LAC were subsequently able to build on this event and work with the College's Education department to organise a more formal, in person half day multidisciplinary workshop on best practice in patient flow which took place in January 2024.

This year our marketing and communications have strategically focused on two main objectives;

- increasing our reach within the physician and wider healthcare communities, and
- providing focused, relevant communications to our current and potential Fellows and Members.

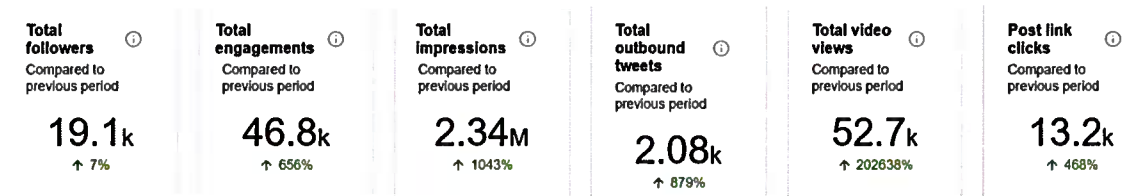
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These have been achieved through enhanced communications to promote the educational and professional development events and services we offer, as well highlighting the work the College undertakes to support and represent our Fellows and Members.

Targeted emails have proved a very effective method to inform audiences of the educational and wider event offering, podcasts and other services. We continually have a high open rate of an average of 50% with a higher than average click through rate where recipients find our detailed information and booking.

Engagement within the College's social media channels has increased for two reasons: the College is being increasingly viewed as a thought leader on a range of issues and with the support of our Members and Fellows, and we have increased the use of video content such as our 'talking heads' in our social media to promote events.

In January 2024, we shared a statement on X (formally known as Twitter) highlighting our position on Physician Associates. This was the first post the College has received over 1000 likes, with high levels of comments and shares. The figures below illustrate the growth in followers and engagement on the 'X' platform alone (across all College accounts).



As well as our organic social media promotion, we use paid advertisements on Google, Facebook and Instagram to increase our audience reach. This has been particularly successful when using Facebook's location and interest targeting to advertise global events.

We plan our content to recognise key dates for our members, such as religious holidays and national awareness days, which is always well received. We regularly organise photography to capture the building, events, partnerships, and to ensure we have an image library which represents our membership.

We recently updated our College mementos in the gift shop with new designs on our tea towels and notebooks, commissioning a local artist. We also added a highland coo with our College tartan.



During this timeframe we also ran a discovery project for the new website which will lead a focus on work for the first half of 2024.

Heritage

The College's latest exhibition, *After Life: A History of Death*, opened to the public in October 2023. This exhibition uses the College's collections to explore the history of death, including the process of dying, what happens to the human body and death celebrations and mourning in different cultures. The exhibition featured in over 200 news outlets.

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The College's 'Remote & Rural Remedies' touring exhibition visited the Outer Hebrides and was displayed both in Benbecula and Lewis and Harris.

The Heritage team continued support for other College teams, with 25 displays accompanying Education and Venue team events, 615 historical research enquiries from Fellows, Members and academics and 66 talks and tours for visiting Fellows and commercial clients.

The College launched an online climate change archive which contains interviews with Fellows and Members around the world about the impact of climate change on health and what they feel medical professionals can do to make a difference.

The Heritage team held a free open day aimed at young people in August 2023. Over 300 people attended the event. Activities on the day included examining skin through a microscope, colouring in skin cells, dressing up like a doctor and exploring the layers of skin by making a layered cake. Feedback from the young audience included descriptions of what they learnt. They described the work of doctors as 'important', 'Good', 'Hardworking', 'Disgusting', 'Hard' and 'Cool'.

Quality Governance Collaborative

The Quality Governance Collaborative (QGC) is committed to developing a new, integrated approach to quality governance in healthcare. The QGC brings together multi-professional groups to improve the practice of quality governance and ensure that health systems continue to deliver for patients. The QGC fellowship programme at the College, as well as a health Board specific, and international jointly run fellowship with WHO have continued and been completed with places fully subscribed. The QGC has continued to build links with the World Health Organization (WHO), through both the international fellowships.

Cohort 4 of the Quality Governance Fellowship programme successfully concluded in June 2023. Cohort 5 of the fellowship programme commenced with a full cohort of participants in September 2023, and due to large interest and applications for this cohort, it was agreed to host cohort 6 of the fellowship programme with an overlap with cohort 5, commencing in January 2024. Cohort 5 will conclude in August 2025, and cohort 6 is due to conclude in January 2026. A recipient for each cohort for the newly launched Sir William Wells Scholarship were selected via application review by the QGC and with selection input from Sir William Wells.

The QGC has been contracted by the WHO Hungary country office to work on a national governance project for the introduction & development of clinical governance in the Hungarian health system. This work programme commenced in May 2022 and concluded successfully in September 2023 and is funded through the EU DGReform, part of the EU Commission.

Due to time and commitment pressures both of the RCPE QGC and the WHOCC and FMLM, the Joint Governance Fellowship has been postponed, and there will now be an introductory / interest building session in late 2024 prior to revisiting its commencement.

Education, Training and Assessment

The Education department continues to deliver a range of online resources and in person events for all Fellows and Members.

A highlight of 2023 was the Women in Leadership conference delivered in collaboration with the Royal College of Surgeons of Edinburgh, and the Academy of Medical Royal Colleges. Delegates, both in person in Edinburgh and online, were joined by an outstanding panel of speakers to consider current challenges in medicine and focus on solutions.

The College also supported the 30th anniversary of SIGN (Scottish Intercollegiate Guidelines Network), considering the future of medical guidelines, through an in person event at the College; and delivered a joint event with Brain Health Scotland to examine policy and health matters around dementia and an aging population. 2023 also saw the return of the 5 day RCPE Oncology Course, regional meetings in Aberdeen and Belfast and an International Medical Graduate meeting in October to bring together and support IMGs.

In March, RCPE formalised links in Europe by becoming a Member Society of the European Federation of Internal Medicine. Consequently, and thanks to a Myre Sim bursary, a College Member was able to attend the 2023 Summer School run by the European School of Internal Medicine. Additionally, RCPE partnered with the McMaster International Review Course in Internal Medicine (MIRCIM) to send three trainee Members to the annual MIRCIM conference in Poland.

RCPE continues to work with Edinburgh University to deliver two MSc programmes, with scholarships awarded to postgraduate students from Bangladesh, Brazil, Mexico, Myanmar, Trinidad and Tobago, Sri Lanka and Sudan. Throughout the year, RCPE collaborated with Fellows around the world to host six successful International Medical Updates from South Africa, Bangladesh, India, Nepal, Pakistan with over 2,400 delegates registered to attend.

The digital education offering from the College continues to develop with over 19,000 hours of video content viewed in 2023/24. Upgrading of the portal means an improved user experience, with a variety of different resources for Fellows &

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Members. New initiatives include a hub focussing on Addiction and resources on climate change created by the College Advisory Forum on the Environment (CAFÉ): '10 Things a Doctor Can Do, To Combat Climate Change.' The College Intern Programme was expanded in 2023, with 3 interns recruited to work with the College and SHAAP over the summer.

The Medical Training Initiative (MTI) welcomed 37 trainees starting in NHS posts from Australia, Canada, India, Iraq, Jordan, Kenya, Malaysia, Nepal, Pakistan, Saudi Arabia, Sri Lanka, Taiwan and Trinidad & Tobago.

RCPE collaborated with international Fellows and Members with Office Bearers attending meetings and conferences over the course of the year in Greece, Hong Kong, India, Jordan, Nepal, Pakistan and Sri Lanka. Thanks go to the outgoing International Regional Advisers who completed their terms of office during the year and welcome new Regional Advisers for the Caribbean, Egypt, Kenya, Oman, Pakistan (Karachi, Sind & Baluchistan), and West Africa.

In January the College, in partnership with the Kenya Association of Physicians, successfully bid for one of 33 grants awarded by the Global Health Workforce Programme funded by the UK Government and managed by THET. The programme is designed to advance universal health coverage in Nigeria, Kenya and Ghana.

Following the successful implementation of a hypertension screening project in Malawi discussions are ongoing to work with the Ministry of Health to expand the project to 12 health centres and include monitoring of other NCDs. A long running collaboration with Saint Peter's University Hospital in New Brunswick, USA continued with two faculty visits to support examinations and teaching.

The podcast portfolio has been expanded to include a series for Recently Appointed Consultants. The Clinical Conversation podcast now has a vast array of resources available to the medical profession, and Career Conversations delivered a package of 'Demystifying PACES' episodes to support Trainees preparing for the new PACES23 practical examinations.

The Examinations Team were delighted to welcome examiners to the College in April for the first annual Examiner Update. Outstanding Contribution Awards were presented to Walsall, Raigmore, Bishop Auckland, Wansbeck, North Tees and CSAC Exam Centres, and New Centre Awards were given to Perth and Southampton. Dr Matt Thomas took over from Dr Rod Harvey as Dean of Examinations. The end of 2023 saw the final exam diet at CSAC, with work underway to find a suitable new venue for the future.

Corporate Services

For the Venue team, recovery continued to be strong across the social sector with increasing demand for weddings and celebrations. The College's historic rooms were in high demand while the Corporate and conferences market was more stable. Demand for in person events continued to grow although hybrid continues to be part of client's expectations. The College continued to be well placed to deliver high quality events across all formats – hybrid, virtual and face to face – despite recruitment challenges during the year and some reliance on agency staff.

The IT team continued to provide a solid and secure infrastructure base through which to support customer needs. A major project to upgrade the server and storage infrastructure was progressed, allowing continued reliable cost effective hosting of the virtual servers that host College digital services. These services include the College's growing online Educational offering and ongoing IT support ensured that almost all events were delivered in a hybrid format. The security and safety of data remained a primary focus with priority given to security related upgrades. IT continued to help staff with hybrid working arrangements, including advising and providing equipment and software to best assist this. This process was also facilitated by replacing equipment were required with higher performance and more energy efficient equipment.

The HR team continued to deliver staff recruitment campaigns aiming to attract the best candidates in a complex and challenging recruitment market. Further opportunities for staff to participate in training and development activities by attending in-person courses and to undertake online training courses have been implemented.

Partnerships and collaborations

In addition to a number of principal collaborations and partnerships noted above, for example with SHAAP and the WHO, the College also supports and contributes to the work of the UK and Scottish Academies.

In collaboration with the Scottish Academy of Medical Royal Colleges, RCPE provides secretarial and administrative services to the Scottish Academy as well as managing the External Adviser Service, a government funded programme which identifies external clinical advisers to support NHS consultant recruitment panels across Health Boards in Scotland, as required by the NHS (Appointment of Consultants) (Scotland) Regulations 2009. In 2023, the External Adviser Service accommodated 662 requests for trained External Advisers (all current NHS Clinical Consultants), from which 469 consultant appointments were

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made. Working with the Academy of Royal Colleges and Faculties in Scotland, a further 70 External Advisers were enlisted, bringing the total cohort of Advisers to over 480.

Alongside supporting consultant recruitment, the External Adviser Service collects and analyses qualitative and quantitative data in order to highlight recruitment concerns. The Service works collaboratively with the Government to promote pan-health board recruitment, particularly in specialties which have historically not garnered sufficient interest from potential applicants, and continues to encourage and help facilitate specialty-specific training for all External Advisers on behalf of the relevant Faculties and Royal Colleges.

Further information on the work of the College is available on the main College website at <http://www.rcpe.ac.uk>.

Financial review

Over the reporting period, the College returned a total surplus of £421,956 (2023: deficit of £152,039).

Incoming resources

Incoming resources increased by £640,745 to £9,155,214 following a full year of normal operations following the COVID-19 period.

Examination income decreased by £177,658. This was mainly due to a small decrease in candidate numbers for the clinical (PACES) exams as the prior year had had experienced a significant bounce back following the removal of COVID restrictions. There was also a reduction in Federation exam income following last year's efforts to eliminate the back logs from 2020 and 2021.

Education and training income rose modestly, by £117,317, building on the previous year's successful online programme, and continuing healthy demand. Postgraduate training activities managed by the Joint Royal Colleges of Physicians Training Board (PTB) was in line with the prior year. The number of students taking the MSc for Internal medicine and Critical Care programmes also rose.

Income from the letting of rooms and facilities rose by £127,485 to £708,673 as booking continued to grow. There was improved demand for in-person events with a healthy rise in weddings as well as demand for celebration events and filming. The College also continued to deliver a range of commercial and social events through hybrid and virtual models.

Membership income rose by around 4.5% following an increase in subscription rates during the year. Investment income grew by 9% to £349,542.

The Scottish Government continued to support the work of the Scottish Health Action on Alcohol Problems (SHAAP) as well as providing ongoing funding for the External Adviser service supporting consultant recruitment across Health Boards in Scotland.

Resources expended

Costs have increased during the year as the College returned to a full year of normal levels of operation. This was against a backdrop of ongoing high inflation and overhead cost increases. Overall, costs increased by £1,153,628 to £9,034,724 across all funds.

Exam costs increased from £2,866,633 to £3,098,621. The main driver was PACES international exams, with RCPE's share of the costs of this exam, which is delivered by Federation, increasing from £595,932 to £882,274. PACES international margins fell significantly during the year reflecting increasing Federation exam costs generally following the imposition of VAT on the delivery of international online exams, charging based on minimum seat numbers, VAT charges on PACES International costs, above inflation supplier increases and hikes in flight costs. Exam costs for UK PACES, which is delivered by the College, were broadly in line with last year although this was with a small decrease in candidate numbers. Federation's prior year corporate costs also included the College's £156,887 share of backdated VAT charges.

Education and training costs increased by £493,050. This was due to increased activity, alongside increased overheads for delivery of education and exams, office and support costs.

As operational activities returned to a full year of normal activity, staff costs increased, rising by £593,281 to £3,436,320. Legal and professional fees also increased from £103,322 to £372,205, mainly reflecting ongoing work on re-defining the future governance structure of the College, reviewing systems and enabling improvements along with an increased amount of support on HR matters.

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Balance sheet

Investment values within the College Portfolio increased by £301,466 (3%) as global equity and bond markets improved due to inflation expectations and an improving economic backdrop. Net current assets rose by £170,202 across all funds, reflecting continued growth in College activities. Cash balances across all funds remain at an acceptable level to meet future financial commitments and to ensure the College is a going concern. Included within the balance sheet results is the College share of Federation assets and liabilities.

Federation

Examinations and education, training and assessment results for the College include revenue generated and resources expended through assessment, specialist training and professional development activities delivered collaboratively by the Federation of Royal Colleges of Physicians (see note 3 and 7).

The Federation of Royal Colleges and the partner Colleges continue to work collaboratively to enable the improvements to financial management practices and governance recommended by Federation's auditors, Shipleys LLP. Federation is in discussions with HMRC about a potential historic VAT liability and is awaiting information from them on the likely amount, if any, that is due. The College would be liable for a share of any liability agreed with HMRC and we are working together with Federation, the Royal College of Physicians and Surgeons of Glasgow, and the Royal College of Physicians of London, to determine any potential liability (see note 20).

Investment policy and performance

During March 2023, as a result of a competitive tender process, the management of the investment portfolio transferred to Quilter Cheviot Limited. The Trustees of the investment portfolio have instructed Quilter Cheviot to invest to maximise the total return on all funds within the constraints of a globally-based, medium risk investment portfolio. This includes a bias towards companies with strong balance sheets and visible, reliable earnings. The investment brief encourages a diversified profile for the portfolio designed to generate an agreed revenue target of around £300,000 per annum but also provide for capital growth. The ethical criteria prohibit investment in companies that manufacture tobacco or companies whose primary business is involved with high interest lending, pornography, gambling or the manufacture of alcohol. In addition, the Trustees wish the investment manager to incorporate an exposure to companies involved in the advancement of healthcare or the promotion of clean energy. The portfolio is diversified across fixed interest, alternatives, cash and equity asset classes.

Headlines in the year impacting on portfolio performance include:

- An improvement in global equity and bond (fixed interest) markets on the expectation of both inflation and interest rates having peaked,
- Particularly strong performances within the portfolio were attributable to companies within the industrials, consumer discretionary and financials sector of the UK equity market together with a broadly based recovery in US equities, led by technology stocks.
- A constructive outlook for markets, based on resilient company earnings and an improving macroeconomic backdrop.

The value of investment portfolio held by the College at the period end was £11,631,756 (2023: £11,369,016). Portfolio income received in the financial year was £307,640 (2023: £318,065). The portfolio total return after fees was 4.5%. The Portfolio income target and other investment objectives, as set out above, were achieved during the year.

Reserves

The College has a balance of unrestricted reserves as at 31 January 2023 of £9,866,641 (2023: £9,832,148). Unrestricted reserves include fixed assets and investments of £7,487,875 leaving free reserves of £2,378,766 (see note 17). These are held as general and designated reserves and mainly comprise the value of net current assets derived from past and current unrestricted operating results. Council decide the level to hold in each reserve.

An unrestricted revaluation reserve of £2,184,675 (2023: £2,184,675) is maintained in respect of heritable property which continues to be valued at £6m as at 31st January 2024 (see note 11). The property valuation took place in January 2020.

The College currently holds unrestricted reserves of over one year of its annual unrestricted operating costs, which is considered by the College as adequate in respect of its status as a going concern.

Unrestricted reserves exclude restricted funds of £1,850,481 (2023: £1,701,363) and endowment funds of £10,551,756 (2023: £10,313,411), most of which are used to support specific purposes attributed to those funds only.

Royal College of Physicians of Edinburgh

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For the year ended 31 January 2024

Assets held as custodian

The College acts as custodian of funds for administrative activities delivered on behalf of the Scottish Academy of Medical Royal Colleges and the balance of funds held by the College as at 31 January 2024 was £16,813 (2023: £10,213 due to the College). The College also acts as custodian of funds for activities delivered by the Senior Fellows Club. The funds held as cash at bank by the College as at 31 January 2024 were £15,956 (2023: £15,707). For further information, see note 14.

Risk management

The Charity Trustees of the College have established processes by which they review, identify and assess major strategic risks and ensure that appropriate controls and mitigations are in place. Responsibility for day-to-day risk management is delegated by Council to the CEO and senior management team. Operational risks are identified by that team and reported regularly to Council for discussion and approval. Risk management is a standing item on the agenda of Council with top risks summarised for Trustees, including those arising from shared activities through Federation. Reports include pre and post mitigation scoring and corrective action.

Recognised areas of risk reported to Council include:

- Post COVID costs remain high, including energy costs. This is coupled with a projected decline in Federation income over the next 2 to 3 years.
- The importance of robust Federation operational, financial and governance arrangements, given the impact on the sustainability of this primary source of income, the long-term relationship of the College with key partners and the financial propriety of the College as a charity.
- The prospect of a Scottish vote for independence arising from post-pandemic economic and political turbulence and the impact this would have on UK and international partnerships through Federation.
- The threat to College systems from cyber-attack and the associated risk of information breach.

Remedial action to mitigate or remove these risks is focused on the following:

- Managing the underlying operational cost base of the College and seeking to grow and diversify turnover as the College returns to normal levels of operation post pandemic COVID-19. Central to this will be finding efficiencies and resourcing services appropriately.
- Maintaining a strong and influential presence at the heart of Federation to ensure it operates to the benefits of all partners. The College continues to work collaboratively with its partners to mitigate operational risks to Federation and support a programme of management and governance improvement.
- Executive are focusing on improving management information systems to allow better analysis and informed decision making around income and strategic investment.
- The Operational Development Group, which is chaired by the CEO, continues to focus on improving the operational systems and processes of the College and ensuring systems and information is secure.
- The College continues to monitor the current political and economic environment in which it operates and engages with appropriate stakeholder bodies so it can monitor and react to any material changes in policy or direction.

Future plans

Membership

Under the guidance of the Secretary, the Membership Services team will focus on the annual elections of the President, Vice Presidents and Council, with elections taking place at the Annual Meeting of the College on 27 September 2024.

Work on the subscriptions cycle has resulted in the vast majority of Fellows and Members paying their 2023/24 annual subscriptions so retention continues to be very good when Fellows and Members are experiencing cost of living pressures. The 2023/24 subscriptions included tiered rates for UK Collegiate Members for the first time. Membership Services continues to work on an active rolling programme of UK and International Regional Adviser elections throughout the year, with elections of new Advisers underway for a number of international and UK Regions.

It is hoped that the proposed Laws changes resulting from the College's Governance Review will go to a Meeting of the College in late 2024.

The Trainees and Members' Committee will be delivering their next annual symposium on Friday 24 January 2025, this time taking place at the Royal College of Physicians of Edinburgh. Planning is underway for this and call for submissions for our Clinical Lesson and Croom Lecture prizes will be opening in the autumn. Prior to that, the T&MC will be holding their annual elections to the Committee over the spring. This will be confirmed ahead of their strategy day in September.

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The Recently Appointed Consultants' Committee will be holding three events over 2024-2025. They will be holding two evening updates in March and November with the focuses being on 'The Challenges of the Consultants' and the successes within medicine. In addition to their usual programme, the Committee will also be running a course aimed at senior trainees and newly appointed consultants in May 2024. This will be focused on the consultant role and how to move into and how to make the most of the role. This will be a virtual event with parallel sessions in the afternoon and half day bookings available.

Quality Governance Collaborative

The QGC will be undergoing contractual discussions and planning with WHO Europe in relation to a new joint Quality Governance fellowship programme to be hosted in Greece for both Greece and a wider EU member state participation. The planned start of this programme is September 2024, and will have QGC Experts delivering governance modules virtually to an in person group of participants in Athens. This project work is under development with WHO Athens Quality of Care and Patient Safety Office. This programme will follow model of the successfully completed RCPE QGC / WHOEU / Government of Lithuania.

Applications for Cohort 7 of the fellowship programme will be closing November 1st 2024, with a start date of January 2025.

Education, Training and Assessment

2024 will see the introduction of joint educational events bringing together more general topics for a range of specialties, alongside new on demand courses and new formats for educational events. The 5 day, Edinburgh International Course on Medicine for the Older Adult will return to the traditional in person format and a joint Gastroenterology Symposium will take place delivered with the American College of Gastroenterology and the Scottish Society of Gastroenterology. There will also be regional events in Aberdeen, Cardiff and Newcastle. International offerings will be expanded to reach more Fellows and Members around the globe with IMUs from Oman, Kenya, Hong Kong, Singapore and Australia.

Work continues to support exam candidates, through a new Federation IT system to streamline application and results processes. The Royal Infirmary in Edinburgh and St John's Hospital in Livingston will come on board as new centres, as we work towards a replacement in the future for CSAC.

Heritage

The College opens a new temporary exhibition in its Physicians' Gallery titled Wild and Tame: Animals in History in July 2024 which will explore the relationship between animals and human medicine.

The College will achieve Museum Accreditation status, a formal process managed by Museums Galleries Scotland and the Art Council. Becoming an approved museum has a number of advantages including: access to funding, insurance provision and ability to borrow items from other accredited museums.

The Heritage team will complete and launch our new digital resource 'The People's Dispensary'. This will contain digital copies of over 5,000 pages of 18th century medical records of poor patients, which will also be fully transcribed and indexed. The site will also include activities for schools, videos, recorded talks and online exhibitions exploring medical treatment for the poorest members of society through history.

Corporate Services

For the Venue team the primary areas of focus in the coming year continues to be managing our highly in demand spaces and focussing on increasing utilisation during quieter periods. Financial year 2024-25 already has a high number of bookings. Further increasing activity will be challenging with two rooms currently used for meetings and breakout sessions now being converted for other purposes. There will be a continued focus on utilisation during quieter periods and for College rooms that are less busy. The trend continues towards events that are physical in-person and away from hybrid events.

The Venue team have also started to implement a new diary system and are exploring rationalising catering services, both of which will streamline our services and should see some cost savings. The venue is committed to improving energy efficiency which over time will also help address some of the recent cost pressures.

In other areas, the IT team will focus on assisting with implementing new management information systems and the roll out of the new website. Work will also continue to progress to higher levels of security certification. 2024-25 will also see continued work on a number of other upgrades.

Finance system improvements are underway, with upgraded direct debit collection software being introduced in June 24 and a new expenses system planned for later in the year. We will also be reviewing our financial and reporting systems.

On the HR front, the Challenging recruitment market is expected to continue and additional resources are in place to ensure the College can attract the best candidates. To support this, a variety of recruitment routes and organisations will be utilised

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where required. Following the successful transfer to electronic files the identification of an HR database, e-recruitment software and other HR systems to provide digital solutions will be further progressed. Training and guidance tools to support managers and increase their knowledge of College policies and processes will be developed.

Council's responsibilities

Council is responsible for preparing the Annual Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires Council to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, Council is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the various trust deeds and the Royal Charter of Incorporation. Council is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is responsible for the maintenance and integrity of the charity 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.

Approved by the Council of the College on 14th June 2024 and signed on its behalf by:

President: Professor Andrew Elder

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE ROYAL COLLEGE OF PHYSICIANS OF EDINBURGH

FOR THE YEAR ENDED 31 JANUARY 2024

Opinion

We have audited the financial statements of the Royal College of Physicians of Edinburgh (the 'charity') for the year ended 31 January 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 FRS 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 charity's affairs as at 31 January 2024 and of its 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 and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the 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 where the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council

As explained more fully in the Statement of Council's Responsibilities, the Council is 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 Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the 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 Council 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of the report

This report is made solely to the charity's Council, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to Council 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, its Council as a body, for our audit work, for this report, or for the opinions we have formed.

MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

14 June 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

for the year ended 31 January 2024

	Notes	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2024	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2023
		General	Designated				General	Designated			
		£	£	£	£	£	£	£	£	£	£
Income and endowments from:											
Donations, grants and legacies	2	461,084	-	271,667	-	732,751	11,788	-	206,324	-	218,112
Charitable activities	3	7,268,724	-	95,524	-	7,364,248	7,284,470	-	110,756	-	7,395,226
Other trading activities	4	708,673	-	-	-	708,673	581,188	-	-	-	581,188
Investments	5	30,030	22,455	297,057	-	349,542	23,264	7,903	288,776	-	319,943
Total income		8,468,511	22,455	664,248	-	9,155,214	7,900,710	7,903	605,856	-	8,514,469
Expenditure on:											
Raising funds	6	927,723	1,268	18,323	35,130	982,444	779,422	959	40,455	-	820,836
Charitable activities	7	7,483,895	99,779	468,606	-	8,052,280	6,504,416	80,714	475,130	-	7,060,260
Total expenditure		8,411,618	101,047	486,929	35,130	9,034,724	7,283,838	81,673	515,585	-	7,881,096
Net income/(expenditure) before gains and losses on investments		56,893	(78,592)	177,319	(35,130)	120,490	616,872	(73,770)	90,271	-	633,373
Actuarial gain on defined benefit pension scheme						-	19,333	-	-	-	19,333
Net gains/(losses) on investments	12a	21,509	6,482	-	273,475	301,466	(57,417)	(17,302)	-	(730,023)	(804,742)
Net income/(expenditure)		78,402	(72,110)	177,319	238,345	421,956	578,788	(91,072)	90,271	(730,023)	(152,036)
Transfers between funds	17d	(647,834)	676,035	(28,201)	-	-	(214,633)	239,437	(24,804)	-	-
Net movement in funds		(569,432)	603,925	149,118	238,345	421,956	364,155	148,365	65,467	(730,023)	(152,036)
Reconciliation of funds:											
Total funds brought forward as restated	17	8,057,508	1,774,640	1,701,363	10,313,411	21,846,922	7,693,353	1,626,275	1,635,896	11,043,434	21,998,958
Total funds carried forward	17	7,488,076	2,378,565	1,850,481	10,551,756	22,268,878	8,057,508	1,774,640	1,701,363	10,313,411	21,846,922

The Statement of Financial Activities includes all gains and losses in the year and all incoming resources and resources expended derive from continuing activities. The notes on pages 21 to 39 form part of these accounts.

Balance Sheet

as at 31 January 2024

	Notes	Total funds 2024	Total funds 2023
		£	£
Fixed assets			
Tangible fixed assets	11	6,407,875	6,364,794
Investments	12 a	11,631,756	11,369,016
Other Investments	12 b	-	78,760
Total fixed assets		<u>18,039,631</u>	<u>17,812,570</u>
Current assets			
Stocks		26,392	21,122
Debtors	13	1,835,351	1,812,662
Cash at bank and in hand	19	<u>6,678,095</u>	<u>6,456,828</u>
		8,539,838	8,290,612
Creditors: amounts falling due within one year	14	<u>(4,025,436)</u>	<u>(3,946,412)</u>
Net current assets		4,514,402	4,344,200
Total assets less current liabilities			
		22,554,033	22,156,770
Creditors: amounts falling due after one year	15	<u>(285,155)</u>	<u>(309,848)</u>
Net assets		<u>22,268,878</u>	<u>21,846,922</u>
Unrestricted funds	17	5,303,401	5,872,833
Designated funds	17a	2,378,565	1,774,640
Restricted funds	17c	1,850,481	1,701,363
Endowment funds	17b	10,551,756	10,313,411
Unrestricted revaluation reserve	17	<u>2,184,675</u>	<u>2,184,675</u>
Total funds	17	<u>22,268,878</u>	<u>21,846,922</u>

Approved by the Council of the College on 14th June 2024 and signed on its behalf by:

President: **Professor Andrew Elder**

Treasurer: **Dr Kathleen White**

The notes on pages 21 to 39 form part of these accounts.

Statement of Cashflows
for the year ended 31 January 2024

		2024	2023
		£	£
	Notes		
Net cash provided by operating activities	18	<u>(39,303)</u>	<u>326,366</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		349,542	319,943
Purchase of property, plant & equipment		(127,698)	(186,213)
Purchase of investments		(10,400,297)	(846,424)
Proceeds from sale of investments		10,182,105	708,330
Net cash provided by / (used in) investing activities		<u>3,652</u>	<u>(4,364)</u>
Change in cash and cash equivalents in the year	19	<u>(35,651)</u>	<u>322,002</u>
Cash and cash equivalent brought forward		6,796,957	6,474,955
Cash and cash equivalents carried forward	19	<u>6,761,306</u>	<u>6,796,957</u>

The notes on pages 21 to 39 form part of these accounts.

Notes to the Accounts (continued)

For the year ended 31 January 2024

1 Statement of accounting policies

a) Basis of preparation of financial statements and assessment of going concern

The College is constituted in the UK by Royal Charter and registered with the Office of the Scottish Charity Regulator (OSCR) and HM Revenue & Customs under charity number SC009465. The registered office details are shown on Page 3. The financial statements of the College are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The College is a public benefit entity as defined by FRS 102. The accounts are prepared in pounds sterling as this is the functional currency of the charity rounded to the nearest pound.

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The following paragraphs describe the specific policies adopted for recognition of significant categories of incoming resources and of expenditure.

The accounts have been prepared on a going concern basis. Council has assessed the ability of the College to continue as a going concern and have reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

b) Fund structure

The College has a number of endowment funds and restricted funds to account for situations where a donor requires that a donation must be used for a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted funds. Funds held in each of these categories are disclosed in note 17.

Unrestricted funds are available for use at the discretion of the Council in furtherance of general objects of the College.

Designated funds are unrestricted funds earmarked by the Council for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or funder.

Endowment funds are invested in investments, the income from which, are used for the normal operation of the College, and must be spent in accordance with the terms of the endowment. This income, and related expenditure, is accounted for within restricted funds. Realised and unrealised gains or losses are accumulated within endowment funds which are regarded as permanent.

c) Significant judgements and estimation uncertainty

In the application of the College's accounting policies, Council are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for carrying amounts of tangible assets.

Notes to the Accounts (continued)

For the year ended 31 January 2024

(ii) Defined benefit pension fund valuation

The Federation has a number of ex-employees who are members of a defined benefit scheme. The valuation of this scheme is determined using an actuarial valuation. The College's Accounts include a proportion of any scheme deficit which is recognised in Federation's financial statements. The actuarial valuation involves making certain assumptions to determine the amount to be recorded as the pension scheme obligation including inflation rates, member turnover, pension increases, expected return of scheme assets and discount rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the liabilities, such estimates are subject to significant uncertainty.

(iii) Heritable property valuation

The value of the College's heritable property is determined using a qualified chartered surveyor. The valuation involves making assumptions about the price per sq. ft. of similar property in a similar area, such estimates are subject to a degree of uncertainty as the true value can only be obtained in the open market.

d) Income

All income is included in the Statement of Financial Activities when the College is entitled to the income, the amount can be quantified with reasonable accuracy, and receipt is probable. The following specific policies are applied to particular categories of income.

Admission fees and subscription income

Income from admission fees is recognised on admission and subscriptions are recognised over the period to which they relate. Amounts relating to subscription periods falling after the year end are deferred into the next accounting period.

Donations and legacies

Donations are recognised when the College has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the College is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the College and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following when the administrator/executor for the estate has communicated in writing both the amount and settlement date. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the College.

Grants receivable

Grants received are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Grants of a revenue nature are credited to the Statement of Financial Activities in the period to which they relate. Grant income with specific restrictions on utilisation in terms of timing or service provision is deferred in accordance with the terms provided by the donor as appropriate.

Grants are split into two categories within the Statement of Financial Activities. Grants with specific performance criteria, and of a contractual nature, are included in Income from Charitable Activities and grants of a general voluntary nature are included under the heading Donations, grants and legacies.

Examination income

Examination income represents exam fees received in respect of exam sittings during the financial year. Any fees received in respect of exams sittings after the year end are treated as examination fees in advance and deferred into the subsequent accounting period.

Notes to the Accounts (continued)

For the year ended 31 January 2024

Course and event income

Income from courses and events represents fees received in respect of educational courses or training events undertaken in the financial year. Any fees received in respect of courses taking place after the year end are deferred into the next accounting period.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

e) Expenditure

Resources expended are recognised on an accruals basis when a legal or constructive obligation to pay arises committing the College to that expenditure; it is probable that settlement will be required and that the amount of the obligation can be measured reliably. They are shown under the appropriate category. The irrecoverable element of VAT is allocated to the related individual cost.

Costs of raising funds

These comprise the costs associated with raising voluntary income, the costs relating to fundraising and the costs of managing investments for both income generation and capital maintenance.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the College in undertaking its work to meet its charitable objectives. It includes costs that can be allocated directly to such activities together with those support costs incurred that enable these activities to be undertaken.

Governance costs

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the College and include the audit fees and costs linked to the strategic management of the College.

Basis of allocation of costs

All costs are allocated between the expenditure categories on a basis which best reflects the use of the resources. Costs, including governance costs, relating to a particular activity are allocated directly, others are apportioned to cost categories based on an estimated amount attributable to that activity in the year. The relative attribution of costs to charitable and other cost centres is reviewed annually.

Joint arrangements - Federation activities

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 Royal College of Physicians of London, a working arrangement with a Memorandum of Understanding. Relevant income and expenses relating to activities delivered collaboratively as part of the Federation of Royal Colleges of Physicians are accounted for as a joint arrangement and disclosed within appropriate income and expenditure categories within notes 3 and 7 to the financial statements. Amounts due from / to the Federation at the balance sheet date are included in debtors / creditors with further disclosures in the Related party note 21.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the College. The grants are accounted for where the College has agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the College.

In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the 1 year or multi-year grant.

Notes to the Accounts (continued) For the year ended 31 January 2024

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than 1 year from the date of the award, there are no unfulfilled performance conditions under the control of the College that would permit it to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by Council as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the College.

f) Tangible fixed assets

Fixed assets are initially recognised at cost, and depreciated over their useful economic life, taking into account any residual value of the assets.

Heritable property and land

The heritable property of the College is carried at fair value. It is also considered to have a high residual value. The depreciation charge is immaterial and no charge has therefore been made. Where no charge for depreciation is made, an impairment review should be carried out on an annual basis. Such a review has been performed and this shows that the fair value of the property is equal to the carrying value in the financial statements.

Land is not depreciated.

Heritable property has not been divided into investment property and property held for operational use as the fair value of the investment property component cannot be measured reliably.

Other fixed assets

Individual assets or large groups of homogeneous assets costing more than £1000 are capitalised and carried in the balance sheet at historical cost.

Depreciation of assets is provided at rates calculated to write off the excess of cost over anticipated residual value evenly over the estimated useful economic lives of each class of assets, subject to annual review. Depreciation rates are currently as follows:

- | | |
|---------------------------------|------------------------|
| • Fixtures and fittings | 10-20% straight line |
| • Computers and other equipment | 12 - 33% straight line |
| • Plant and machinery | 10% straight line |

Heritage assets

In addition to the capitalised fixed assets retained for the College's own use, the College holds a substantial collection of unendowed heritage assets whose intrinsic value is bound up with the College's history. The principal collection is of medical books and manuscripts collectively known as the Sibbald Library Collection. The College also holds a modest collection of paintings and other artefacts. The heritage assets are held for preservation and to benefit medical knowledge and culture.

Most of these assets are irreplaceable originals to which no reliable value can be attributed and therefore the Charity Trustees believe that the significant costs that would be incurred in assessing and maintaining a reliable valuation record would be disproportionate to the clarity derived. Accordingly, the assets have not been capitalised in the accounts.

Governance rules applicable to the disposal of heritage assets are set out in the College Laws. Subject to recommendation from the Library Committee and approval of the Charity Trustees, the College can elect to dispose of items from the Sibbald Library Collection, although this would only happen in exceptional circumstances, for example, to generate funds to support the development of wider access to the historic collections of the College Library.

Acquisitions are made by purchase or donation but are rare. Items acquired are capitalised only where the value can be determined and is deemed material.

Notes to the Accounts (continued)

For the year ended 31 January 2024

Further information is provided in note 11a.

g) Investments

Investments are accounted for at fair value, which is considered to be market value. Value is attributed to individual unrestricted and restricted funds on an unitisation basis. Net gains and losses arising on revaluation and disposal are shown in the Statement of Financial Activities.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The College does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the College is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value.

h) Stock

Stocks of mementoes and wine are valued at the lower of cost and net realisable value.

i) Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of 3 months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

Creditors are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

m) Pension schemes

The College operates an employer-sponsored, defined contribution Group Personal Pension (GPP) Scheme. Contributions to this scheme are allocated to individual policies held separately from the College and which are administered by Scottish Widows. Pension costs are included in staff costs on the basis of contributions payable by the College.

The Federation has a number of ex-employees who are members of a defined benefit scheme. The valuation of this scheme is determined using an actuarial valuation. The College's Accounts include a proportion of any scheme deficit which is recognised in Federation's financial statements.

Notes to the Accounts (continued)
for the year ended 31 January 2024

2	Donations, grants and legacies	2024	2023
		£	£
	Donations	482,464	11,788
	Grants - non contractual	<u>250,287</u>	<u>206,324</u>
		<u>732,751</u>	<u>218,112</u>

3	Income from charitable activities	2024	2023
		£	£
	Subscriptions	1,906,803	1,823,474
	Examinations	3,538,594	3,716,252
	Education and training	1,649,340	1,532,023
	Grants	99,424	105,578
	Other	<u>170,087</u>	<u>217,899</u>
		<u>7,364,248</u>	<u>7,395,226</u>

Examinations and education and training income figures shown above include revenue generated by the College through assessment, specialist training and professional development activities delivered collaboratively by the Federation of Royal Colleges of Physicians. The Federation generated income of **£3.7m** in the year (2023: £3.7m).

4	Income from other trading activities	2024	2023
		£	£
	Letting of rooms and facilities	<u>708,673</u>	<u>581,188</u>
		<u>708,673</u>	<u>581,188</u>

5	Income from investments	2024	2023
		£	£
	Portfolio derived income	307,640	318,065
	Bank deposit income	<u>41,902</u>	<u>1,878</u>
		<u>349,542</u>	<u>319,943</u>

Notes to the Accounts (continued)
for the year ended 31 January 2024

6 Expenditure on raising funds	Activities undertaken directly £	Support costs £	Total 2024 £	Total 2023 £
Rooms and facilities	400,388	508,074	908,462	762,859
Investment management	58,199	15,783	73,982	57,977
	<u>458,587</u>	<u>523,857</u>	<u>982,444</u>	<u>820,836</u>
7 Expenditure on charitable activities	Activities undertaken directly £	Support costs £	Total 2024 £	Total 2023 £
Membership services	532,596	578,850	1,111,446	898,024
Quality Governance Collaborative	138,314	38,233	176,547	163,569
Heritage	273,303	194,465	467,768	409,755
Examinations	2,678,442	420,178	3,098,620	2,866,633
Education and Training	2,099,306	1,098,593	3,197,899	2,704,849
Other charitable activity	-	-	-	17,430
	<u>5,721,961</u>	<u>2,330,319</u>	<u>8,052,280</u>	<u>7,060,260</u>

Assessment, education and training expenditure figures shown above include resources expended by the College in delivering examinations, specialist training and professional development activities collaboratively through the Federation of Royal Colleges of Physicians. The Federation costs in the year amounted to **£2.5m** (2023: £2.3m).

Other charitable activity costs in the prior year comprise **£17,430** for costs of the Intensive Support Programme.

8 Grant making activities

Included within Education and Training direct costs are grants made by the College during the year totalling **£95,382** (2023: £79,973) from designated and endowed funds as follows:

	2024 £	2023 £
Tuition fees for 12 (2023: 11) students of the MSc Internal Medicine at the University of Edinburgh	50,960	45,262
Tuition fees for 13 (2023: 10) students of the MSc Critical Care at the University of Edinburgh	44,422	34,711
	<u>95,382</u>	<u>79,973</u>

Grant making activities are largely funded through income generated by core charitable activities.

Notes to the Accounts (continued)
for the year ended 31 January 2024

9 Allocation of governance and support costs	Total allocated 2024 £	Governance related £	Other support costs £	Total 2023 £
Staff costs	1,714,948	207,473	1,507,475	1,495,331
Building upkeep, repairs and management	168,856	-	168,856	118,455
IT costs	88,920	-	88,920	81,890
Utilities	159,179	-	159,179	149,725
Travel and subsistence	48,849	-	48,849	49,000
Other general management overheads	640,310	538,173	102,137	363,091
Depreciation	33,114	2,964	30,150	38,102
	2,854,176	748,610	2,105,566	2,295,594

Support costs are apportioned to charitable activities using various bases of apportionment including square footage, staff numbers and levels of activity, with the exact basis selected according to that which best reflects the use of resources.

Governance costs	Activities undertaken directly £	Indirect costs £	Total 2024 £	Total 2023 £
Staff costs	-	207,473	207,473	180,904
Auditors' fees	29,944	-	29,944	17,223
Other non-audit fees	-	-	-	7,893
Legal and professional fees	372,205	-	372,205	103,322
Other	-	138,988	138,988	97,138
	402,149	346,461	748,610	406,480

10 Staff costs	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Wages and salaries	2,703,250	236,168	2,939,418	2,421,627
Social security costs	254,265	23,544	277,809	237,023
Pension costs - Defined contribution schemes	200,925	18,168	219,093	184,389
	3,158,440	277,880	3,436,320	2,843,039

Average number of employees during the period: **78 (69 FTE)**

The number of employees whose emoluments exceeded £60,000, excluding employer pension contributions, were:

£60,000 - £69,999	1
£70,000 - £79,999	2
£110,000 - £119,999	1

The College considers its key management personnel to be the Office Bearers and Chief Executive Officer. The total employment benefits of the key management personnel were **£146,500** (2023: £136,607). This included pension contribution costs of **£14,973** (2023: £14,060).

The value of pension contributions to be paid to the defined contribution pension scheme at the year end was £27,123 (£2023 £24,929).

Included within salary costs are £8,806 (2023: £Nil) of settlement payments made during the year to members of staff who left during the year.

The pension costs shown above relate to the employees of the College. The Federation of Royal Colleges of Physicians also has a number of ex-employees in a final salary pension scheme. During the prior financial year there was an actuarial gain on this scheme and the College's share of this gain is recognised in the Statement of Financial Activities as an 'Actuarial gain on defined benefit pension scheme'.

Notes to the Accounts (continued)
for the year ended 31 January 2024

11 Tangible fixed assets	Heritable property £	Computers and other equipment £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
1 February 2023	6,000,000	1,239,617	169,990	126,206	7,535,813
Additions	-	114,966	-	12,732	127,698
Disposals	-	(45,581)	-	-	(45,581)
31 January 2024	<u>6,000,000</u>	<u>1,309,002</u>	<u>169,990</u>	<u>138,938</u>	<u>7,617,930</u>
Accumulated depreciation					
1 February 2023	-	920,260	163,942	86,817	1,171,019
Charge for the year	-	72,169	3,999	8,449	84,617
Disposals	-	(45,581)	-	-	(45,581)
31 January 2024	<u>-</u>	<u>946,848</u>	<u>167,941</u>	<u>95,266</u>	<u>1,210,055</u>
Net book value at 31 January 2024	<u>6,000,000</u>	<u>362,154</u>	<u>2,049</u>	<u>43,672</u>	<u>6,407,875</u>
<i>Net book value at 31 January 2023</i>	<u>6,000,000</u>	<u>319,357</u>	<u>6,048</u>	<u>39,389</u>	<u>6,364,794</u>

The heritable property of the College was revalued by Graham and Sibbald, Chartered Surveyors, on the 31st January 2020. They assessed the market value with vacant possession to be £6,000,000. The valuation was carried out in line with IFRS 13 and guidelines issued by the Royal Institute of Chartered Surveyors. The depreciated historic cost of heritable property as at 31 January 2024 was **£3,815,325** (2023: £3,815,325). Council continues to consider that the carrying value at 31 January 2024 represents the fair value at the year end.

11a Further information on the College collection of heritage assets
Library and Museum collection

The Library and Museum collection, which comprises approximately 70,000 medical books, objects and manuscripts, has been developed over the last 340 years and is used for reference, research and education. The College occasionally makes available, on loan, items from the collection to Fellows and Members of the College and other medical institutions. At any time, approximately 50% of the collection is on display. The remaining items are held in safe storage but access is permitted to scholars and others for research purposes, and items from storage are occasionally made available for public viewing. The College has made no disposals to its accessioned Library collection in the last 5 years.

Management

The College has a long-established Library & Heritage Committee which has responsibility for managing the College collection on behalf of the Charity Trustees. The policy for managing the collection, including governance rules applicable to the disposal of books, is set out in the College Laws.

The College maintains a catalogue of its collection of medical books, objects and manuscripts which records the nature, provenance and current location of each asset. A manual record is complete but work remains ongoing to present the catalogue in an electronic format and to the MARC international standard.

Preservation

Expenditure which, in the view of the Charity Trustees, is required to preserve or prevent further deterioration of the Library and Museum collection is recognised in the Statement of Financial Activities when it is incurred. The Library and Museum collection is also insured for the costs of repair, conservation and attempted recovery.

Paintings and other artefacts

The College maintains a complete photo and electronic record of modern and heritage paintings as well as similar records for sculptures, busts and other artefacts. Heritage staff are charged with ensuring that items are maintained and preserved in an appropriate condition.

Notes to the Accounts (continued)
for the year ended 31 January 2024

12 a Investments	Unrestricted £	Endowment £	Total £
<i>Opening portfolio valuation at 1 February 2023</i>	1,055,605	10,313,411	11,369,016
<i>Less: Investment cash balance at 1 February 2023 (see note 19)</i>	31,581	308,548	340,129
Opening market value at 1 February 2023	1,024,024	10,004,863	11,028,887
Additions at cost	965,660	9,434,637	10,400,297
Disposals proceeds	(945,401)	(9,236,704)	(10,182,105)
Net gains during year	27,991	273,475	301,466
Closing market value at 31 January 2024	1,072,274	10,476,271	11,548,545
Investment cash balance	7,726	75,485	83,211
Closing portfolio valuation at 31 January 2024	<u>1,080,000</u>	<u>10,551,756</u>	<u>11,631,756</u>
<i>Historical cost at year end</i>	<u>974,993</u>	<u>9,525,824</u>	<u>10,500,817</u>
Debt and Fixed interest	207,436	2,026,685	2,234,121
UK equities	237,314	2,318,590	2,555,904
Investments and unit trusts	95,189	930,009	1,025,198
Overseas	532,335	5,200,987	5,733,322
Cash	7,726	75,485	83,211
	<u>1,080,000</u>	<u>10,551,756</u>	<u>11,631,756</u>

The investments of the College are held as part of a portfolio managed by Quilter Cheviot Ltd. Value is attributed to individual unrestricted and endowment funds on a unitisation basis. At 31 January 2024, the largest percentage holding was 2.94% of the total value of the College Portfolio which was invested in a Royal London Ethical Bond fund.

All investments are carried at their fair value. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the Annual Report.

The main risk to the charity from financial instruments lies in the continuing uncertainty regarding world economic prospects leading to changeable investment markets and volatility in yield. The College manages these risks by retaining experts advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes. Furthermore, the portfolio does not make use of derivatives or other complex financial instruments as it takes the view that investments are held for long-term return. Liquidity risk is considered low as all investments are traded in quoted public markets, primarily the London Stock Exchange, with good liquidity and trading volumes, and the College has no material holdings in markets subject to exchange control or trading restrictions.

12 b Other investments - Federation of Royal Colleges of Physicians	2024 £	2023 £
At 1 February 2023	78,760	78,760
Transferred to current assets	(78,760)	-
At 31 January 2024	<u>(78,760)</u>	<u>78,760</u>

During 2020-21, the College contributed additional funding to Federation to help support operations during COVID-19. These funds were released to current assets in the year and form part of the inter entity balance held within creditors.

Notes to the Accounts (continued)
for the year ended 31 January 2024

13 Debtors	2024	2023
	£	£
Subscriptions and fees	150,501	222,264
Educational fee and grant debtors	851,645	423,504
Accrued income	511,376	896,402
Sundry debtors	27,994	42,360
Prepayments	289,680	226,029
VAT and tax debtor	4,155	2,103
	<u>1,835,351</u>	<u>1,812,662</u>
14 Creditors: amounts falling due within one year	2024	2023
	£	£
Trade creditors	237,590	264,793
Other creditors and accruals	965,836	999,251
Social security and other taxation payable	78,252	179,775
Deferred income	2,743,758	2,502,593
	<u>4,025,436</u>	<u>3,946,412</u>

The College hosts the offices of the Scottish Academy of Medical Royal Colleges and acts as the custodian of funds employed in supporting the delivery of administrative services. The balance of funds held by the College at the year end of **£16,813** is accounted for within creditors (2023: £10,213 accounted for within debtors). The College acts as custodian of funds for its Senior Fellows' Club. The year end balance of **£15,956** (2023: £15,707) is also accounted for within other creditors and accruals.

Deferred income

The movement in deferred income during the year is as follows:

	<i>Brought forward</i> 31 Jan 2023	Utilised in year	Received & deferred to 2024/25	Received & deferred to future years	Carried forward 31 Jan 2024
	£	£	£	£	£
Subscriptions	1,234,136	(1,234,136)	1,229,466	36,798	1,266,264
Events planned	289,359	(289,359)	418,563	85,935	504,498
Education income	416,381	(416,381)	270,713	162,422	433,135
Exam income	766,255	(766,255)	821,607	-	821,607
Grant income	38,240	(38,240)	-	-	-
Other income	3,070	(3,070)	3,409	-	3,409
	<u>2,747,441</u>	<u>(2,747,441)</u>	<u>2,743,758</u>	<u>285,155</u>	<u>3,028,913</u>

The deferred income above relates to subscriptions, events, exams, course and grant receipts relating to future years.

15 Creditors: amounts falling due after more than one year	2024	2023
	£	£
Other creditors and accruals	-	65,000
Deferred income	285,155	244,848
	<u>285,155</u>	<u>309,848</u>
16 Contracts and commitments – operating leases	2024	2023
	£	£
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Amounts due within 1 year	56,525	43,157
Amounts due between 2 to 5 years	112,156	134,889
Amounts due more than 5 years	-	11,157
	<u>168,681</u>	<u>189,203</u>

During the year lease payments of **£59,139** (2023: £61,486) were recognised as an expense to the College.

Notes to the Accounts (continued)
for the year ended 31 January 2024

17 Analysis of College net assets by fund in the current year (2024)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2024 £
Unrestricted funds	6,407,875	1,080,000	2,663,921	(285,155)	9,866,641
Endowment funds	-	10,551,756	-	-	10,551,756
Restricted funds	-	-	1,850,481	-	1,850,481
	<u>6,407,875</u>	<u>11,631,756</u>	<u>4,514,402</u>	<u>(285,155)</u>	<u>22,268,878</u>

Unrestricted funds, which include designated funds, are free for use by the charity trustees in accordance with the charitable objects of the College. Endowment and restricted funds have purposes attached which, in general, are related to the provision of information to the public and education for doctors in training and in practice. **Over 75%** of the expendable endowment funds, which have a total value of **£3,167,220** at 31 January 2024, are available for use in support of the College's core charitable activities. Further details of the designated, endowment and restricted funds held by the College can be found in notes 17a, 17b and 17c, respectively.

Also included within unrestricted funds is a revaluation reserve amounting to **£2,184,675** (2023: £2,184,675) in relation to the College's heritable property as set out in note 11. Unrestricted funds excluding the revaluation reserve **total £7,681,966** (2023: £7,647,473).

Analysis of College net assets by fund in the previous year (2023)	Fixed assets £	Investments £	Net current assets £	Long-term liabilities £	Fund balances 2023 £
Unrestricted funds	6,364,794	1,134,365	2,577,837	(244,848)	9,832,148
Endowment funds	-	10,313,411	-	-	10,313,411
Restricted funds	-	-	1,766,363	(65,000)	1,701,363
	<u>6,364,794</u>	<u>11,447,776</u>	<u>4,344,200</u>	<u>(309,848)</u>	<u>21,846,922</u>

17a Designated funds: movements in the current year (2024)	Balance at 31 Jan 2023 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 Jan 2024 £
Strategic Planning Fund	503,916	7,255	(633)	(375)	3,238	513,401
Fabric Fund	175,946	1,822	-	-	-	177,768
Innovation and Development Fund	586,576	6,074	(95,382)	216,760	-	714,028
Education Fund	214,593	4,264	(4,282)	439,650	3,244	657,469
Prizes and Awards Fund	49,454	512	(750)	20,000	-	69,216
Digital Development Fund	244,155	2,528	-	-	-	246,683
	<u>1,774,640</u>	<u>22,455</u>	<u>(101,047)</u>	<u>676,035</u>	<u>6,482</u>	<u>2,378,565</u>

Investments held as part of the Strategic Planning and Education Funds form part of the College's investment portfolio, managed by Quilter Cheviot Ltd. Investment income, gains and losses and related expenditure are allocated in proportion to the value of investments held by each trust or fund.

Designation of the funds

The Council of the College has chosen to designate these funds as follows:

Strategic Planning Fund- The balance has been earmarked to support the Business Resilience Strategy of the College, including Federated activity, such as supporting the Federation IT development.

Fabric Fund- Support the development and reorganisation of the building and College Infrastructure for post COVID-19 re-developments.

Innovation and Development Fund- Support innovative projects which contribute to the development and recognition of the College and individual doctors.

Education Fund- Support online education or any other purposes in line with current Education strategy.

Prizes and Awards Fund- Intended to benefit Fellows and Members through the provision of a range of prizes and awards which seek to provide incentives to reward excellence.

Digital Development Fund- Support the Colleges digital transformation project and educational lectures with a digital content.

Designated funds: movements in the previous year (2023)	Balance at 31 Jan 2022 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 Jan 2023 £
Strategic Planning Fund	509,588	3,754	(479)	(303)	(8,644)	503,916
Fabric Fund	175,785	161	-	-	-	175,946
Innovation and Development Fund	426,265	233	(79,964)	240,042	-	586,576
Education Fund	220,538	3,495	(480)	(302)	(8,658)	214,593
Prizes and Awards Fund	50,167	37	(750)	-	-	49,454
Digital Development Fund	243,932	223	-	-	-	244,155
	<u>1,626,275</u>	<u>7,903</u>	<u>(81,673)</u>	<u>239,437</u>	<u>(17,302)</u>	<u>1,774,640</u>

Notes to the Accounts (continued)
for the year ended 31 January 2024

17b Endowment funds: movements in current year (2024)	Balance at 31 January 2023 £	Income £	Expenditure £	Transfers to/(from) Restricted funds £	Investment gains/(losses) £	Balance at 31 January 2024 £
Permanent endowments						
W A Alexander Bequest	21,219	-	(72)	-	562	21,709
Freeland Barbour Fellowship	32,485	-	(111)	-	861	33,235
Alexander Black Bequest	5,888	-	(20)	-	156	6,024
John Hamilton Brown Bequest	119,522	-	(407)	-	3,169	122,284
Sir James Cameron Bequest	10,494	-	(35)	-	278	10,737
Clouston Memorial Trust	3,639	-	(11)	-	96	3,724
Ghulam Mohi-Ud Din Trust	2,857	-	(10)	-	76	2,923
George A Gibson Lectureship	800	-	(2)	-	21	819
Verona Gow Bequest	105,201	-	(359)	-	2,790	107,632
Mohamed Haniffa Hamza Bequest	1,841	-	(7)	-	49	1,883
Jessie MacGregor Prize	8,731	-	(30)	-	232	8,933
James MacKenzie Medal	1,627	-	(6)	-	43	1,664
Alexander Morison Fund	553	-	(2)	-	15	566
Stelios Nicolaides Fund	1,204	-	(4)	-	32	1,232
Hill Pattison-Struthers Bursaries	17,716	-	(61)	-	470	18,125
Robert Philip Memorial Lectureship	64,689	-	(220)	-	1,715	66,184
HRH Richards Bequest	7,223	-	(25)	-	192	7,390
Miss Janet Reid Trust	51,371	-	(175)	-	1,362	52,558
Catherine Wedderburn Rintoul Fund	71,313	-	(243)	-	1,891	72,961
Russell Bequest	1,066,269	-	(3,632)	-	28,274	1,090,911
John Matheson Shaw Bequest	16,518	-	(56)	-	438	16,900
Myre Sim Bequest	1,277,413	-	(4,351)	-	33,872	1,306,934
JMAS Sim Fellowship	4,392,803	-	(14,963)	-	116,482	4,494,322
Sydney Watson Smith Bequest	241,863	-	(823)	-	6,413	247,453
Peter Morrison Tolmie Bequest	25,114	-	(85)	-	666	25,695
Watson Lecture	1,323	-	(4)	-	35	1,354
Wood Bursary	21,899	-	(75)	-	581	22,405
	<u>7,571,575</u>	-	<u>(25,790)</u>	-	<u>200,770</u>	<u>7,746,555</u>
Expendable endowments						
Bryan Ashworth Bequest	485,474	-	(1,654)	-	12,874	496,694
Ambuj Nath Bose Bequest	624	-	(3)	-	17	638
William Cullen Prize	11,338	-	(39)	-	301	11,600
Stanley Davidson Trust	533,002	-	(1,815)	-	14,133	545,320
Education & Research Trust	531,823	-	(1,812)	-	14,102	544,113
Joan Ferguson Bequest	205,812	-	(701)	-	5,457	210,568
Marion B M Lindsay Bequest	63,515	-	(216)	-	1,684	64,983
Lister Fellowship	24,768	-	(85)	-	657	25,340
Charles McNeil Lectureship	17,206	-	(58)	-	456	17,604
Alexander Morison Lectureship	3,947	-	(13)	-	105	4,039
Marjorie Robertson Trust	864,327	-	(2,945)	-	22,919	884,301
	<u>10,313,411</u>	-	<u>(35,130)</u>	-	<u>273,475</u>	<u>10,551,756</u>

Investments held by each trust or fund are pooled so as to form part of the College's investment portfolio, managed by Quilter Cheviot Ltd. Investment income, gains and losses and related expenditure are allocated in proportion to the value of investments held by each trust or fund.

Endowed funds in excess of £400,000 in the current year have the following purposes:

- Russell Bequest** - for the purchase, maintenance, and indexing of antiquarian books and manuscripts held by the College Library.
- Myre Sim Bequest** - to support educational activities and oversee the award of Grants, Bursaries and a Collegiate members prize.
- JMAS Sim Fellowship** - to fund a Fellowship for research into the biochemical aspects of depressive illness.
- Bryan Ashworth Bequest** - for the support of the College Library.
- Stanley Davidson Trust** - for the furtherance of medical knowledge and education and for the maintenance of the College.
- Education and Research Trust** - established in 1984 for the furtherance of education and research.
- Marjorie Robertson Trust** - for research, education, building or other uses at the discretion of the President and Council.

Notes to the Accounts (continued)
for the year ended 31 January 2024

17b <i>Endowment funds: movements in previous year (2023)</i>	<i>Balance at 31 January 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers to/(from) Restricted funds</i>	<i>Investment gains/(losses)</i>	<i>Balance at 31 January 2023</i>
	£	£	£	£	£	£
<i>Permanent endowments</i>						
<i>W A Alexander Bequest</i>	22,721	-	-	-	(1,502)	21,219
<i>Freeland Barbour Fellowship</i>	34,784	-	-	-	(2,299)	32,485
<i>Alexander Black Bequest</i>	6,305	-	-	-	(417)	5,888
<i>John Hamilton Brown Bequest</i>	127,982	-	-	-	(8,460)	119,522
<i>Sir James Cameron Bequest</i>	11,237	-	-	-	(743)	10,494
<i>Clouston Memorial Trust</i>	3,897	-	-	-	(258)	3,639
<i>Ghulam Mohi-Ud Din Trust</i>	3,059	-	-	-	(202)	2,857
<i>George A Gibson Lectureship</i>	857	-	-	-	(57)	800
<i>Verona Gow Bequest</i>	112,647	-	-	-	(7,446)	105,201
<i>Mohamed Haniffa Hamza Bequest</i>	1,971	-	-	-	(130)	1,841
<i>Jessie MacGregor Prize</i>	9,349	-	-	-	(618)	8,731
<i>James MacKenzie Medal</i>	1,742	-	-	-	(115)	1,627
<i>Alexander Morison Fund</i>	592	-	-	-	(39)	553
<i>Stelios Nicolaidis Fund</i>	1,289	-	-	-	(85)	1,204
<i>Hill Pattison-Struthers Bursaries</i>	18,970	-	-	-	(1,254)	17,716
<i>Robert Philip Memorial Lectureship</i>	69,268	-	-	-	(4,579)	64,689
<i>HRH Richards Bequest</i>	7,734	-	-	-	(511)	7,223
<i>Miss Janet Reid Trust</i>	55,007	-	-	-	(3,636)	51,371
<i>Catherine Wedderburn Rintoul Fund</i>	76,361	-	-	-	(5,048)	71,313
<i>Russell Bequest</i>	1,141,744	-	-	-	(75,475)	1,066,269
<i>John Matheson Shaw Bequest</i>	17,687	-	-	-	(1,169)	16,518
<i>Myre Sim Bequest</i>	1,367,833	-	-	-	(90,420)	1,277,413
<i>JMAS Sim Fellowship</i>	4,703,743	-	-	-	(310,940)	4,392,803
<i>Sydney Watson Smith Bequest</i>	258,983	-	-	-	(17,120)	241,863
<i>Peter Morrison Tolmie Bequest</i>	26,892	-	-	-	(1,778)	25,114
<i>Watson Lecture</i>	1,417	-	-	-	(94)	1,323
<i>Wood Bursary</i>	23,449	-	-	-	(1,550)	21,899
	8,107,520	-	-	-	(535,945)	7,571,575
<i>Expendable endowments</i>						
<i>Bryan Ashworth Bequest</i>	519,838	-	-	-	(34,364)	485,474
<i>Ambuj Nath Bose Bequest</i>	668	-	-	-	(44)	624
<i>William Cullen Prize</i>	12,141	-	-	-	(803)	11,338
<i>Stanley Davidson Trust</i>	570,730	-	-	-	(37,728)	533,002
<i>Education & Research Trust</i>	569,467	-	-	-	(37,644)	531,823
<i>Joan Ferguson Bequest</i>	220,380	-	-	-	(14,568)	205,812
<i>Marion B M Lindsay Bequest</i>	68,011	-	-	-	(4,496)	63,515
<i>Lister Fellowship</i>	26,521	-	-	-	(1,753)	24,768
<i>Charles McNeil Lectureship</i>	18,424	-	-	-	(1,218)	17,206
<i>Alexander Morison Lectureship</i>	4,227	-	-	-	(280)	3,947
<i>Marjorie Robertson Trust</i>	925,507	-	-	-	(61,180)	864,327
	11,043,434	-	-	-	(730,023)	10,313,411

Notes to the Accounts (continued)
for the year ended 31 January 2024

17c Restricted funds: movements in the current year

The restricted funds of the College can be split into two categories: monies which relate to specific donations or grants and are held as part of the College bank and cash balances; and restricted income funds made up of the accumulated income generated by College endowment funds.

Where the funding is in the form of a government grant, the nature and amount of the grant is disclosed below.

Funds held as part of the College bank and cash balances:

EBM Training Materials - developing educational materials on topics related to evidence-based medicine.

SCLF grant - funding fellowships for doctors taking part in the Scottish Clinical Leadership programme.

ePortfolio for Revalidation - developing an e-system for recertification and revalidation.

Guidance on Adolescent Medicine - guidance for doctors in managing patients transferring from paediatric to adult services.

Disaster Recovery Kits - provide disaster recovery boxes for the Colleges Heritage team, alongside the disaster recovery policy and procedure, to allow us to be prepared in the event of a disaster and have the equipment and training necessary to respond effectively when the Heritage collections are at risk.

Health and Wellbeing Fund - To support the health and wellbeing of RCPE staff.

Intensive Support Programme - To provide expertise to act as Programme Lead on the Standard Mortality Quality Review (SMQR) project through NHS England and NHS Improvement.

Leo McCarthy History of Medicine Award - to meet the costs of a prize promoting medical history research.

HP Andrew Douglas - funding research into clinical, respiratory medicine.

MTI Placements - to help the College assist overseas doctors wishing to undertake a fixed period of training in the UK.

MTI Placements Scotland - to assist the College in placing International graduates through the Medical Training Initiative scheme.

Paley Stamp Collection - for conservation of the historic stamp collection of the College.

Pilot National Audits in Epilepsy and CAP - assessing and improving the standards of care for patients with epilepsy and community-acquired pneumonia.

Scottish Academy: External Adviser Project - Scottish Government funding to cover an external assessor for recruitment panels which are administered by the Scottish Academy.

SIGA (Scottish Intercollegiate Group on Alcohol) - intercollegiate body addressing problems of alcohol in society.

SHAAP (Scottish Health Action on Alcohol Problems) - a medical advocacy body on alcohol, established through SIGA and funded by the Scottish Government.

Sibbald Library Restricted Fund - to maintain, support and develop the historic collections of the College Library.

SPARS - a study to assess junior doctors' prescribing experiences and preferences on drug charts currently available in Scotland.

TARGET (Targeting Adverse Risk by Generating Expert Tools) - supporting the development of a computer-based system to improve prescribing for hypertension.

Wellcome Digitisation project - a Wellcome Trust funded project to digitise and make available online a collection of over 25,000 19th century books and pamphlets.

Wellcome Duncan Project Expenditure - grant is to fund the digitalisation of 99 casebooks. Digitalisation will be performed by UK archiving.

Wellcome Ballantyne Cataloguer - funding to catalogue and conserve an important collection on developmental medicine built up by J W Ballantyne, a pioneering specialist in ante-natal care.

Wolfson Fund - the purchase of rare books.

Zambia Fund - funding for work undertaken to support Lusaka APEX Medical University in Zambia.

Funds held as part of the College portfolio:

These are split into permanent and expendable endowments and represent the accumulated income generated by the College endowments, net of fees and charitable expenditure.

Notes to the Accounts (continued)
for the year ended 31 January 2024

17c Restricted funds: movements In current year (2024)	31 January 2023 £	Income £	Expenditure £	Transfers £	31 January 2024 £
Held as part of the College bank & cash balances					
EBM Training Materials	7,515	-	-	-	7,515
SCLF Grant	32,775	-	(22,666)	-	10,109
ePortfolio for Revalidation	5,269	-	-	-	5,269
Guidance on Adolescent Medicine	17,963	-	-	-	17,963
Disaster Recovery Kits	(73)	-	-	-	(73)
Health and Wellbeing Fund	1,003	-	-	-	1,003
Intensive Support Programme	1,548	-	-	-	1,548
Leo McCarthy History of Medicine Award	1,273	-	-	-	1,273
HP Andrew Douglas	354,798	-	-	-	354,798
James Lind Library	-	-	-	-	-
MTI Placements	20,015	-	-	-	20,015
MTI Placements Scotland	7,244	-	-	-	7,244
Paley Stamp Collection	1,279	-	-	-	1,279
Pilot National Audits in Epilepsy and CAP	10,626	-	-	-	10,626
Scottish Academy: External Adviser Project	43,822	95,525	(103,815)	-	35,532
SIGA	1,200	-	-	-	1,200
SHAAP	57,197	250,287	(291,947)	-	15,537
Sibbald Library Restricted Fund	42,923	21,380	(17,140)	-	47,163
SPARS	4,549	-	-	-	4,549
TARGET	116	-	-	-	116
Wellcome Digitisation project	42	-	-	-	42
Wellcome Duncan Project Expenditure	-	-	-	-	-
Wellcome Ballantyne Cataloguer	5,871	-	-	-	5,871
Wolfson Fund	1,980	-	-	-	1,980
Zambia Fund	853	-	-	-	853
	<u>619,788</u>	<u>367,192</u>	<u>(435,568)</u>	<u>-</u>	<u>551,412</u>
Held as part of the College portfolio					
Permanent endowments					
W A Alexander Bequest	1,732	603	10	-	2,345
Freeland Barbour Fellowship	6,986	996	(58)	-	7,924
Alexander Black Bequest	2,189	196	(10)	-	2,375
John Hamilton Brown Bequest	46,569	4,015	(212)	(338)	50,034
Sir James Cameron Bequest	2,521	326	(18)	-	2,829
Clouston Memorial Trust	2,387	139	(7)	-	2,519
Ghulam Mohi-Ud Din Trust	2,562	120	(5)	-	2,677
George A Gibson Lectureship	266	26	(1)	-	291
Verona Gow Bequest	24,577	3,258	(187)	(296)	27,352
Mohamed Haniffa Hamza Bequest	847	64	(3)	-	908
Jessie MacGregor Prize	6,255	341	(15)	-	6,581
James MacKenzie Medal	1,359	67	(3)	-	1,423
Alexander Morison Fund	2,180	52	(2)	-	2,230
Stelios Nicolaidis Fund	1,712	61	(2)	-	1,771
Hill Pattison-Struthers Bursaries	8,697	625	(31)	-	9,291
Robert Philip Memorial Lectureship	13,008	1,968	(115)	(182)	14,679
HRH Richards Bequest	1,298	217	(13)	-	1,502
Miss Janet Reid Trust	14,987	1,641	(91)	(145)	16,392
Catherine Wedderburn Rintoul Fund	3,568	1,988	(652)	(200)	4,704
Russell Bequest	68,812	29,988	(10,399)	(2,980)	85,421
John Matheson Shaw Bequest	6,701	559	(29)	-	7,231
Myre Sim Bequest	159,283	37,219	(16,584)	(3,576)	176,342
JMAS Sim Fellowship	315,998	124,091	(11,921)	(12,297)	415,871
Sydney Watson Smith Bequest	67,054	7,668	(597)	(681)	73,444
Peter Morrison Tolmie Bequest	11,499	873	(45)	-	12,327
Watson Lecture	1,372	59	(3)	-	1,428
Wood Bursary	6,498	700	(39)	-	7,159
	<u>780,916</u>	<u>217,862</u>	<u>(41,035)</u>	<u>(20,694)</u>	<u>937,049</u>
Expendable endowments					
Bryan Ashworth Bequest	18,511	13,437	(1,744)	(1,355)	28,849
Ambuj Nath Bose Bequest	834	31	(1)	-	864
William Cullen Prize	3,347	363	(166)	-	3,544
Stanley Davidson Trust	99,607	16,087	(949)	(1,495)	113,250
Education & Research Trust	51,743	15,250	(948)	(1,488)	64,557
Joan Ferguson Bequest	2,724	5,611	(1,653)	(575)	6,107
Marion B M Lindsay Bequest	11,076	1,904	(113)	(178)	12,688
Lister Fellowship	12,719	884	(45)	-	13,558
Charles McNeil Lectureship	8,964	616	(31)	-	9,549
Alexander Morison Lectureship	4,046	175	(8)	-	4,213
Isabella Kirk Duncanson Trust	17,515	295	(3,128)	-	14,682
Marjorie Robertson Trust	69,572	24,541	(1,540)	(2,416)	90,157
	<u>300,659</u>	<u>79,193</u>	<u>(10,326)</u>	<u>(7,507)</u>	<u>362,020</u>
Total Restricted funds	<u>1,701,363</u>	<u>664,247</u>	<u>(486,929)</u>	<u>(28,201)</u>	<u>1,850,481</u>

Notes to the Accounts (continued)
for the year ended 31 January 2024

17c Restricted funds: movements in the previous year (2023)	31 January 2022	Income	Expenditure	Transfers	31 January 2023
	£	£	£	£	£
<i>Held as part of the College bank & cash balances</i>					
EBM Training Materials	7,515	-	-	-	7,515
SCLF Grant	32,775	-	-	-	32,775
ePortfolio for Revalidation	5,269	-	-	-	5,269
Guidance on Adolescent Medicine	17,963	-	-	-	17,963
Disaster Recovery Kits	(73)	-	-	-	(73)
Health and Wellbeing Fund	1,003	-	-	-	1,003
Intensive Support Programme	-	18,978	(17,430)	-	1,548
Leo McCarthy History of Medicine Award	1,273	-	-	-	1,273
HP Andrew Douglas	354,798	-	-	-	354,798
James Lind Library	-	-	-	-	-
MTI Placements	20,015	-	-	-	20,015
MTI Placements Scotland	7,244	-	-	-	7,244
Paley Stamp Collection	1,279	-	-	-	1,279
Pilot National Audits in Epilepsy and CAP	10,626	-	-	-	10,626
Scottish Academy: External Adviser Project	46,700	91,778	(94,656)	-	43,822
SIGA	1,200	-	-	-	1,200
SHAAP	100,414	206,325	(249,542)	-	57,197
Sibbald Library Restricted Fund	54,304	-	(11,381)	-	42,923
SPARS	4,549	-	-	-	4,549
TARGET	116	-	-	-	116
Wellcome Digitisation project	42	-	-	-	42
Wellcome Duncan Project Expenditure	-	-	-	-	-
Wellcome Ballantyne Cataloguer	5,871	-	-	-	5,871
Wolfson Fund	1,980	-	-	-	1,980
Zambia Fund	853	-	-	-	853
<i>Held as part of the College portfolio</i>	<u>675,716</u>	<u>317,081</u>	<u>(373,009)</u>	<u>-</u>	<u>619,788</u>
<i>Permanent endowments</i>					
W A Alexander Bequest	1,220	593	(82)	-	1,732
Freeland Barbour Fellowship	6,201	912	(127)	-	6,986
Alexander Black Bequest	2,046	166	(23)	-	2,189
John Hamilton Brown Bequest	43,958	3,376	(470)	(295)	46,569
Sir James Cameron Bequest	2,266	295	(40)	-	2,521
Clouston Memorial Trust	2,299	104	(16)	-	2,387
Ghulam Mohi-Ud Din Trust	2,491	82	(11)	-	2,562
George A Gibson Lectureship	246	23	(3)	-	266
Verona Gow Bequest	22,294	2,956	(413)	(259)	24,577
Mohamed Haniffa Hamza Bequest	801	52	(6)	-	847
Jessie MacGregor Prize	6,041	249	(35)	-	6,255
James MacKenzie Medal	1,318	47	(6)	-	1,359
Alexander Morison Fund	2,165	17	(2)	-	2,180
Stelios Nicolaidis Fund	1,681	35	(4)	-	1,712
Hill Pattison-Struthers Bursaries	8,265	502	(70)	-	8,697
Robert Philip Memorial Lectureship	11,605	1,816	(254)	(159)	13,008
HRH Richards Bequest	1,124	203	(29)	-	1,298
Miss Janet Reid Trust	13,870	1,446	(202)	(127)	14,987
Catherine Wedderburn Rintoul Fund	12,124	2,001	(10,382)	(176)	3,568
Russell Bequest	56,064	29,799	(14,426)	(2,625)	68,812
John Matheson Shaw Bequest	6,298	467	(64)	-	6,701
Myre Sim Bequest	131,676	35,762	(5,010)	(3,145)	159,283
JMAS Sim Fellowship	286,079	122,967	(82,233)	(10,816)	315,998
Sydney Watson Smith Bequest	63,519	6,808	(2,677)	(596)	67,054
Peter Morrison Tolmie Bequest	10,886	711	(98)	-	11,499
Watson Lecture	1,339	38	(6)	-	1,372
Wood Bursary	5,969	617	(88)	-	6,498
	<u>703,845</u>	<u>212,042</u>	<u>(116,773)</u>	<u>(18,197)</u>	<u>780,916</u>
<i>Expendable endowments</i>					
Bryan Ashworth Bequest	11,233	13,554	(5,081)	(1,195)	18,511
Ambuj Nath Bose Bequest	818	18	(2)	-	834
William Cullen Prize	3,073	319	(45)	-	3,347
Stanley Davidson Trust	88,059	14,953	(2,092)	(1,313)	99,607
Education & Research Trust	43,131	14,877	(4,956)	(1,309)	51,743
Joan Ferguson Bequest	7,289	5,749	(9,807)	(507)	2,724
Marion B M Lindsay Bequest	9,699	1,781	(248)	(156)	11,076
Lister Fellowship	12,114	702	(97)	-	12,719
Charles McNeil Lectureship	8,542	488	(66)	-	8,964
Alexander Morison Lectureship	3,947	114	(15)	-	4,046
Isabella Kirk Duncanson Trust	17,499	17	(1)	-	17,515
Marjorie Robertson Trust	50,931	24,161	(3,392)	(2,128)	69,572
	<u>256,335</u>	<u>76,733</u>	<u>(25,803)</u>	<u>(6,608)</u>	<u>300,659</u>
Total Restricted funds	<u>1,635,896</u>	<u>605,856</u>	<u>(515,585)</u>	<u>(24,804)</u>	<u>1,701,363</u>

Notes to the Accounts (continued)
for the year ended 31 January 2024

17d Transfers between funds

Designated funds

During the period **£255,609** (2023: £280,241) was transferred to the designated MSc Internal Medicine Fund and MSc Critical Care Fund. These funds comprise the surplus received from the MSc Internal Medicine and MSc Critical Care courses run in partnership with the University of Edinburgh. This fund is to be used to sponsor tuition fees for students enrolled on the course.

A bequest of £440,000 (2023: £nil) was transferred to the Education Fund, which is used to fund Education initiatives. £20,000 was transferred to the Prize and Award Fund which is intended to benefit Fellows and Members through the provision of prizes and awards which seek to reward excellence (2023: £nil).

An inter-fund charge of **£39,574** (2023: £40,803) was made in favour of the General Fund against designated funds for the cost of financial and management administration over the period. This comprised a charge in respect of the MSc Internal Medicine course and MSc Critical Care of around **10%** of annual revenue. Furthermore, a charge of **10%** of annual revenue generated by designated funds in the year ended 31 January 2024 was made and allocated in proportion to the value of investments held by each trust or fund.

Restricted funds

An inter-fund charge of **£28,201** (2023: £24,804) was made in favour of the General Fund against the restricted income funds administered as part of the College portfolio for the cost of financial and management administration over the period. This was based on **10%** of annual revenue generated by each endowment in the year ended 31 January 2024 and was allocated in proportion to the value of investments held by each trust or fund.

18 Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income/(expenditure) for the reporting period	421,956	(152,036)
Depreciation charges	84,617	92,881
(Gains)/ Losses on investments	(301,466)	804,742
Transfer of Federation Investment to net current assets	78,760	-
Dividends, interest and rents from investments	(349,542)	(319,943)
(Increase)/Decrease in stocks	(5,270)	1,588
(Increase)/Decrease in debtors	(22,689)	(530,577)
Increase/(Decrease) in creditors	54,331	429,711
Net cash provided by operating activities	(39,303)	326,366

19 Analysis of cash and cash equivalents

	31 January		1 February
	2024	Cash flows	2023
	£	£	£
Cash in hand	6,678,095	221,267	6,456,828
Cash held as part of investment portfolio	83,211	(256,918)	340,129
	6,761,306	(35,651)	6,796,957

20 Contingent liabilities

The Federation of the Royal Colleges of Physicians has a potential historic VAT liability and is awaiting information from HMRC on the likely amount, if any, that is due. This College would be liable for a share of any liability agreed with HMRC and we are working together with Federation, the Royal College of Physicians and Surgeons of Glasgow, and the Royal College of Physicians of London, to determine any remaining liability. The value of any additional liability for the College is not quantifiable at this time.

Notes to the Accounts (continued)
for the year ended 31 January 2024

21 Related parties

No Trustee received any remuneration or benefits during the year. Reimbursement of travel expenses to 17 (2023: 20) Council Members amounted to £11,354 (2023: £11,474). During the financial year Dr Frank Armstrong was a member of the Court of the University of Edinburgh. In the year, the College had income from the University of £376,280 and expenditure of £244,716. These transactions were for the MSc courses that the University runs, which the College helped develop and continues to support. At 31 January 2024 a balance of £394,508 was due from the University.

No other Trustee or other person related to the College had any personal interest in any contract or transaction entered into by the College during the year (2023: £Nil).

During the year the College had transactions totalling £29,412 with the Federation of Royal Colleges of Physicians. The transactions comprised training fees due from the College to Federation. At 31 January 2024 a balance of £11,352 was due to Federation.

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 Royal College of Physicians of London, and is a working arrangement with a Memorandum of Agreement (MoA). The MoA entitles RCPE to a 1/3rd share of fixed assets and a 21% share of operations. Federation generated a distributable surplus of £5,591,012 (2023: £6,848,715), which includes:

	Federation	RCPE		RCPE
	2024	share	Federation	share
	2024	2024	2023	2023
	£	£	£	£
Income	17,485,834	3,672,025	17,946,849	3,768,838
Expenditure	11,894,822	2,497,913	11,098,134	2,330,608
Surplus for distribution	<u>5,591,012</u>	<u>1,174,113</u>	<u>6,848,715</u>	<u>1,438,230</u>

Included within RCPE's balance sheet are the following assets and liabilities relating to Federation

	2024	2023
	£	£
Fixed assets	273,949	213,575
Debtors	199,765	129,174
Cash	1,053,003	1,472,149
Creditors	<u>(1,037,925)</u>	<u>(1,145,854)</u>

Amounts due by RCPE to Federation at the year end and included within other creditors is £196,905 (2023: £200,038).

22 Financial instruments

	2024	2023
	£	£
Assets measured at fair value through the Statement of Financial Activities	<u>11,631,756</u>	<u>11,369,016</u>
	<u>11,631,756</u>	<u>11,369,016</u>

Assets measured at fair value through the Statement of Financial Activities comprise investments. See note 12a.

