

THE ACADEMY OF MEDICAL ROYAL COLLEGES

England & Wales · Charity number 1056565

Details

Status Registered

Legal form Charitable company

Company number [03166361](#)

Registered 1996-07-03

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: THE PROTECTION AND PRESERVATION OF HEALTH AND THE RELIEF OF SICKNESS BY SUPPORTING PROMOTING AND CO-ORDINATING THE WORK OF THE MEDICAL ROYAL COLLEGES AND THEIR FACULTIES AS DEFINED IN THEIR RESPECTIVE CHARTERS AND BY PROVIDING A FORUM FOR DISCUSSION AND COLLABORATION AMONG THE MEDICAL ROYAL COLLEGES AND THEIR FACULTIES (BUT WITHOUT PREJUDICE TO THE AUTONOMY OF EACH SUCH BODY) SO AS TO PROMOTE FOR THE BENEFIT OF THE PUBLIC THE EFFICIENCY AND EFFECTIVENESS OF THE MEDICAL ROYAL COLLEGES AND THEIR FACULTIES

Activities: THE ACADEMY'S PRINCIPAL ACTIVITY IS SHARING AND CO-ORDINATING THE WORK OF THE MEDICAL ROYAL COLLEGES AND FACULTIES. THE ACADEMY PRODUCES GENERIC DOCUMENTS AND BRINGS TOGETHER EXPERTS IN ITS SUBCOMMITTEES TO SHARE BEST PRACTICE AND ENSURE THE MAINTENANCE OF STANDARDS OF TRAINING AND EDUCATION.

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Northern Ireland
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,507,488	£1,790,190	£3,339,707	16
2024-03-31	£1,526,357	£1,589,231	£3,652,182	17
2023-03-31	£1,122,969	£1,727,886	£3,478,249	16
2022-03-31	£1,451,085	£1,577,268	£4,118,856	14
2021-03-31	£2,181,576	£1,340,403	£4,087,910	14

Trustees

Name	Role	Appointed
Alison Johns	Chair	2025-04-01
David Francis Stout		2022-12-01
Dr Daniele Bryden		2023-05-26
Dr Jeanette Dickson		2023-07-06
Dr Shubulade Mary Eniola Smith		2025-11-01
Graham Richard Elliott Smith		2022-12-01
Richard Bernstein		2024-10-01
Sheuli Ferguson		2025-11-01

Accounts



The Academy of Medical Royal Colleges Trustees' Annual Report & Financial Statements

For the year 1 April 2024 to 31 March 2025

Company Number: 03166361

Charity Number: 1056565

The Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy"). The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Benefits and Beneficiaries

The charity's ultimate beneficiaries are patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' annual report. The Trustees are of the view that the pursuit of the Academy's objects provides public benefit as follows:

- Through the delivery of projects which have potential benefit to patients.
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy Council, and the involvement of lay members in all the major work streams run by the Academy such as education and quality improvement.

- Through the support of cross-College activity which has an express aim of providing public benefit.

Main Activities

- In pursuance of its charitable objectives, the Academy's principal activity is sharing and coordinating the work of the Colleges and Faculties.
- The Academy undertakes project work in areas which cross College/Faculty boundaries. In particular, the Academy co-ordinates College and Faculty activity on issues relating to education and training, quality improvement, and workforce.
- The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.
- The Academy regularly meets Ministers and senior staff from the UK Department of Health and Social Care (DHSC) and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to relevant consultation documents on generic issues.

Policy Priorities

The Academy reviews its policy priorities on an annual basis. In 2024-25 this was achieved in the context of four overarching health policy objectives:

- Shaping care delivery
- Rebalancing the NHS
- Strengthening education and training
- The future workforce.

Delivery against our overarching health policy objectives was achieved through the work of the Academy Chair of Council, Academy Council, its sub-committees, and the representative committees¹.

¹ Patient and Lay; Specialist and Associate Staff Grade (SAS) doctors; Resident doctors.

ACHIEVEMENTS AND PERFORMANCE

Underpinning our policy objectives throughout this period has been an ambition to build on the Academy's ability to directly influence healthcare policy at the most senior levels. We have done this by:

- Strengthening our links with ministers and other key decision-makers by hosting meetings, roundtables, and events with the senior ministers, senior officials, the Chief Medical Officers from all four nations, senior policy makers in the Department of Health and Social Care, the National Medical Directors, the NHS England leadership, regulators, and other stakeholders.
- It is worth noting that the Secretary of State for Health Wes Streeting, his special advisors and Zubir Ahmed, the Parliamentary Under-secretary of State for Health all attended the Academy's annual Policy Day Dinner in September 2025.
- We have successfully navigated the first part of changeover between management teams within NHS England (NHSE) and are well placed in relation to the on-going absorption of NHSE into the Department of Health and Social Care (DHSC).
- We have maintained strong links with a range of parliamentarians, including ministerial teams, opposition front benches, the Chair of the Health and Social Care Select Committee, and members of the House of Lords. The Academy is currently working closely with a number of cross-bench peers on the health harms to children and young people being caused by tech and devices. This work is at an early stage.

Meeting our policy priorities:

Shaping care delivery

- In May 2024 The Academy completed phase three of the Evidence-based Interventions Programme. This five-year body of work was designed to reduce tests, treatments and procedures of little or no clinical value. It was a significant success in changing clinical behaviour and improving the quality of care at the same time.
- The Academy, its members, and policy team worked closely with the team at the DHSC over the summer and autumn of 2024 who were producing the 10-year plan. This culminated in a round-table discussion at the Academy's Policy Day in September 2024 led by Sally Warren, the lead author for this piece of work which effectively sets out how care will be delivered in England over the next ten years.
- Children and Young People's Gender Services – The Academy has provided education and training materials to over 130 clinicians working in the new hubs

treating children and young people with gender dysphoria and/or gender related distress. This training, which takes place face to face and online, was commissioned by NHS England's Specialised Commissioning team, initially in November 2023. The work is ongoing and is expected to continue until March 2027.

- In January 2025 the Academy published an update to the Code of Practice for the Diagnosis and Confirmation of Death. This followed the Academy's earlier guide published in 2008 and has become the accepted standard for clinicians, courts, and ethicists on this subject. It was produced by a team of medical, legal, and ethics experts and took evidence from over a hundred stakeholders such as religious groups, coroners, and the police.
- In March 2025, the Academy Chair of Council, Dr Jeanette Dickson, gave evidence to the Health and Care Committee in Parliament on NHS England's reorganisation.
- In April 2025 the Academy also published 'Treating patients well: principles for shared clinical practice'. In June 2025 it published 'Pregnancy Loss and Fertility Issues' with the Royal College of Paediatrics and Child Health.
- The Academy and its members have produced an updated guide to its 2019 publication, 'Please write to me' which set guidelines for the way hospital doctors should write directly to patients rather than to the patient's GP. This latest edition takes into account the way doctors are using AI in face-to-face consultations.

Rebalancing the NHS

- In May 2024, the Academy co-hosted, with Impower, a healthcare services consultancy, a round table discussion with senior health service leaders to examine why it is so hard to deliver community-based care. This led to a widely acclaimed report published in October 2024 entitled, 'The Future is Out There'. This document sets out clearly what needs to happen if the NHS is to find a way of delivering healthcare more effectively and efficiently.
- In the spring of 2025 the Academy partnered with the Health Innovation Network to hold a one day conference called, 'Thinking Differently: Frontline NHS staff set out what's needed to unlock innovation'. This was followed by a report published in October 2025 which gave numerous guides and case-studies of how innovation can be embedded in everyday health and care practice.
- The Academy's clinical fellow worked throughout 2025 on a programme called 'Escape the Tape' – this was co-hosted by the Academy and NHSE. It set out 10 quick wins to reduce burdensome bureaucracy at the interface between primary and secondary care. The report was published in October 2025 as an addendum to previous work the Academy has done on this subject.

Strengthening Education and Training

- The Academy hosts fortnightly meetings with the Chief Medical Officer for England to discuss issues related to the Education and Training of doctors and is currently hosting a short life working group to contribute to the Medical Training Review currently being conducted by DHSC.
- The Academy is hosting a series of workshops on the impact of artificial intelligence (AI) on medical assessment and training. This is of growing interest to members and others and will continue to be a major focus of work in future to look at how it can be used to improve the quality of training.
- We continue to manage the doctors' Foundation Programme curriculum, and work with the UK Foundation Programme Office to ensure close ties between them and colleges where appropriate. The Academy also hosts the Joint Academy Training Forum which brings together the training and education leads from all of the medical royal colleges and faculties.
- The Academy has continued to work with the General Medical Council (GMC) on the fairer training cultures agenda. This has included co-hosting a workshop to find ways of reducing differential attainment among doctors from different backgrounds. It has produced new best-practice guidance on feedback to candidates following an exam.
- The Academy education committees have continued their work on improving consistency when making reasonable adjustments for candidates taking exams. The Academy produced principles on what college policy should be when a candidate fails an exam. This helps to ensure consistency across medical specialities.

The future workforce

- In May 2024, The Academy coordinated and published a statement on 'The Added Value of a Senior Doctor in a Multi-professional Team.'
- In October 2024 it published 'Who we are' a guide for patients to the work of SAS doctors.
- In 2025 The Academy proposed and secured from the DHSC The Leng Review of the roll-out of Physician Associates and Anaesthesia Associates and are closely involved in the adoption of the eighteen recommendations Professor Leng makes.
- The Academy has facilitated and co-hosted sessions for the Academy's Resident Doctors' Committee (ARDC) and the Academy's Specialist and Associate Staff Grades Committee (SAS) and the workforce policy team at DHSC. This enabled those specific staff groups to make their case directly to the people responsible for the shape and size of the medical workforce in England.

Indicators, Milestones and Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

FINANCIAL REVIEW

Financial Results of Activities and Events

The financial results of the charity's activities for the period ended 31 March 2025 are set out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work. The Trustees carefully monitor performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12-month period, the charity generated total incoming resources of £1,507,488 (2024: £1,526,357) and expended total resources of £1,790,190 (2024: £1,589,231).

In addition to its committees and associated work programmes, the Academy undertakes project work funded by national health bodies and fitting with the Academy's strategic aims. Some of these projects straddle more than one financial year and payment schedules vary. The deficit in accounts in the current year relates to both restricted and unrestricted funds. The restricted funds deficit was planned and due to the timing difference that arises when income received in advance is recognised in a previous year but spent in the current year.

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. The Board is aware of the need to ensure that restricted funds are fully utilised. Details of individual funds can be found in note 14 of the financial statements.

Remuneration Policy

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and consideration given to the level of any rise in subscriptions.

Reserves Policy

As of 31 March 2025, the Academy held £3,339,707 in total reserves (2024: £3,652,182). Of this, £973,741 was held as restricted funds (2024: £1,234,129), £888,539 was held as designated funds (2024: £989,731), and £1,477,427 was held as general funds (2024: £1,428,322). The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Trustees have formally approved a reserves policy which is reviewed on an ongoing basis. In summary, reserves are held for the following purposes:

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

The approach used to calculate the target range of unrestricted reserves is to hold between nine and twelve months running costs. Therefore the target range for unrestricted reserves is between £948k and £1.3M. With £1,477,427 in unrestricted reserves, at 31 March 2025, the difference will be transferred to the development fund for planned capital expenditure in 2025/26 relating to the property in Dallington Street which will bring the reserves into target range.

Development Fund

The Board has designated a “Development Fund” to cover specific expenditure related to the Academy’s development programme and strategic finance needs. This fund has been used for a range of development activities this year. These needs will vary over time; therefore the Board reconsiders the appropriate level on an annual basis. As at 31 March 2025, the development fund stood at £182,780 (2024: £253,145) which trustees have assessed as sufficient for current needs.

Going Concern

There are well publicised constraints of funding in the healthcare sector. The

Academy continues to offer value and deliver for its members by mitigating against exposure to the political agenda and policy change via its influencing work (see the sections on objectives and achievements above).

As per the financial review section and consideration of reserves (above), the Trustees considered that there were no material uncertainties about the Academy's ability to meet its ongoing needs and strategic objectives and therefore the accounts are prepared on a going concern basis.

Investments Policy

As per the Academy's reserves policy, funds required for the continued operation of the charity have been identified and any funds which are held for a longer period are invested at the boards' discretion in order to seek returns to support the Academy's aims and objectives.

The Board has adopted a policy of ethical investment for major investments. This means the Academy avoids investments in fossil fuels, tobacco, alcohol, armaments, gambling or adult entertainment. The majority of the Academy's investments are currently held in CCLA's COIF Ethical Investment Fund, which meets these investment criteria. The target benchmark for this fund is Consumer Price Index plus 5%, meaning that over time the fund aims to achieve (before fees) an average total return before costs of inflation, as measured by the CPI, plus 5%. Regular monitoring of the performance of the fund against the benchmark is a responsibility of the Audit and Risk Committee.

Fundraising practice

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996 and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 with minor revisions to the Articles made in September 2022. Substantial revisions to the Academy's Regulations were adopted by the Trustees in May 2011 and December 2024.

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council, a standing committee of the Board. The work of the Academy is centred on the Council which comprises the Presidents or equivalent Head Officers of all member Colleges and Faculties. The Council has established a series of sub-committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council supported by two council elected Vice Chairs, an Independent Clinician Trustee, and a Royal College of General Practitioners representative. Officers direct work between Council meetings.

The Academy has a senior executive officer, the Executive Director, and employs other full and part time employees, who all work closely with the elected Officers.

Governance

Under the governance structure Colleges and Faculties are corporate members of the Academy and their nominated representatives, who must be their current Presidents or equivalent head officers, form the bulk of the Academy Council². The Council has delegated responsibility for the development and implementation of Academy policy on healthcare issues and the healthcare profession.

The Board of Trustees is responsible for the governance of the organisation. It comprises an appointed Chair of Trustees, three further lay trustees, three members of the Academy Council (one of whom, known as the Independent Clinician Trustee, may remain on the Board for a period of two years after they demit office as a Council member to provide clinical continuity.) and the Chair of Council. At least two of the lay trustees must not be medically qualified.

The Board has an Audit and Risk Committee comprising a minimum of three trustees and the Chair of Trustees who attends ex officio. The Audit and Risk Committee has

² The Council also includes the Chair of Council, the Independent Clinician Trustee, the second Royal College of General Practitioners representative, and the chairs of the three representative committees (Patient & Lay, SAS doctors, Resident doctors).

delegated authority from the Board of Trustees to advise on specific financial and risk issues, including to receive the audited accounts and audit findings, monitor internal controls, oversee investments, and monitors the risk management processes of the charity.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

— Recruitment, Appointment and Election

The lay trustees are appointed through a process of external appointment. The Regulations set out the composition of the panel required to appoint lay trustees. The Council trustees are elected by the members of the Council following a call for nominations. The Independent Clinician Trustee is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Chair of Council is a trustee by virtue of their role.

— Induction and Training

Trustees receive copies of Charity Commission guidance for trustees together with the organisation's Articles and Regulations. The Academy also publishes information on each of its members and trustees on its website. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chair of Trustees and the Executive Director. Trustees can attend meetings of the Council (if they are not already a member of Council) to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity by email.

There is an annual process of performance review for trustees on an individual and collective basis and on seeking re-appointment.

External training is also available for trustees on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

Risk and Corporate Governance Matters

A formal risk register is maintained, under the headings of strategic, operational, people/staff, reputational and financial and investment risks. Key risks are identified during the year along with methods to reduce, manage or eliminate these risks. In

2024/2025 the key risks were:

- **Contentious policy issues with the potential to divide membership.** This risk has increased slightly on the previous year. The NHS 10 year plan and looming further industrial action by resident doctors both engender differences of opinion in the Academy's membership. This is mitigated primarily through the work of the Chair of Council in meeting with a wide range of stakeholders in both formal and informal settings (see also the section above on activities).
- **Difficulties contracting with national bodies.** Delays in procurement process, onerous contractual terms, and a lack of long-term financial commitments from the Academy's funders continue to present challenges. In late 2024 and early 2025 the Academy resorted to writing to the chair of one key funder to formally express concerns. This resulted in an apology, expediting of late payments, and the provision of a contact through which the Executive Director can raise concerns.
- **Cyber security.** Cyber security remains a major risk for all organisations and especially charities. This is mitigated through the creation and implementation of an IT security policy, regular meetings with the Academy's outsourced IT provider, employee cyber security training and obtaining Cyber Essentials certification. IT security is continually monitored and reviewed by the Board and employee training is ongoing. The ongoing project to migrate Academy data from a server based provision to cloud based provision also mitigates some of these risks.
- **Failure to secure new long-term funding sources.** The difficult economic climate in general and the pressure on health spending in particular remain features of the external environment in which the Academy must operate. The Academy's successful work on Children and Young People's Gender Services has contributed significantly to reducing this risk in the medium term. Efforts to diversify funding sources are ongoing.

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee keeps the content and format of the Risk Register under review.

The Board receives a report on the performance of the organisation at each meeting and also on financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis as well as to verbally declare any new or relevant interests at the beginning of each meeting of the Board or its committees. This is compiled into a register of interests which is reviewed annually

by the Board and published on the Academy's website.

Staffing and HR

There is a rolling programme to review all HR policies at least once every 3 years. The pay and reward structure was revised in April 2019 and remains in place (with annual salary reviews).

The senior leadership team restructure, which was implemented in 2022, remains in place. At the time of writing it is under review.

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, Officers, and employees of the charity.

Trustees' and Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees as directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of

fraud and other irregularities.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PLANS FOR FUTURE PERIODS

Future Strategy, Activities and their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board.

There has been a decline in funding for some projects from national bodies, however, this has been offset by new project income streams. The Trustees continually monitor this situation and are aware of the need to continue to generate income to ensure the long-term viability of the Academy.

The last strategic review of the organisation's activities was conducted in 2021 and considered options for the development of future activity in conjunction with members. In essence, members were strongly supportive of the Academy's role in representing and advocating for members and were keen to see the organisation's focus remains on this. Widening membership of the Academy beyond medical organisations was not felt to be appropriate at the current time. Members recognised the need for the Academy to generate income through project activity, but this should not distract from the organisation's core representational role. The question of expanding membership of the Academy was considered again by Council in July 2024. It was decided not to grant membership to organisations who are not yet distinct medical specialties in their own right.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, are:

Ms Alison Johns, Chair of Trustees (commenced first term on 1st Apr 2025)

Mr. David Stout, Lay Trustee and Chair of the Audit and Risk Committee (throughout the period covered by this report, commenced 1st Dec 2022 and Chair of the Audit and Risk Committee from Oct 2024)

Mr Graham Smith, Lay Trustee (throughout the period covered by this report, commenced first term on 1st Dec 2022)

Mr Richard Bernstein, Lay Trustee (commenced first term 1st Oct 2024)

Dr Daniele Bryden, Council Trustee (throughout the period covered by this report, commenced first term on 26th May 2023)

Dr Jeanette Dickson, Chair of Council (throughout the period covered by this report, commenced on 6th Jul 2023)

Professor Bernie Chang, Council Trustee (throughout the period covered by this report, commenced as Independent Clinician Trustee from 1st Nov 2023 resigned 31st Oct 2025)

Professor Kamila Hawthorne, Council Trustee (throughout the period covered by this report, commenced on 1st Dec 2023 resigned 31st Oct 2025)

Professor Andrew Eder, former Chair of Trustees (commenced on 1st Apr 2022 and demitted 31st Mar 2025)

Mrs Sarah Harkness, former Lay Trustee and Chair of the Audit and Risk Committee (commenced in Sept 2018 and demitted 30th Sept 2024)

Dr Sheuli Porkess, Appointed 1st Nov 2025

Dr Lade Smith, Appointed 1st Nov 2025

The address of the charity and the registered office of the company is at:

10 Dallington Street, London EC1V 0DB.

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41
North Road, London, N7 9DP

Auditor: Price Bailey LLP, Tennyson House, Cambridge Business Park,
Cambridge, Cambridgeshire, CB4 0WZ

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

Asset Manager: CCLA, One Angel Lane, London, EC4R 3AB

The following key senior members of staff have been responsible for the day-to-day management of the charity: Mrs Amy White, Executive Director.

EXEMPTIONS FROM DISCLOSURE

No exemptions from disclosure apply.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are allocated for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

OTHER INFORMATION

This report has been produced to comply with statutory reporting requirements and follows the structure for a Trustees Report as laid out in SORP FRS 102. For further information on the work of the Academy during this period, please see [the Academy website](#).

APPROVAL

This report was approved by the Trustees on 5th November 2025, and was signed for and on behalf of the board by:

The Chair of Trustees, Ms Alison Johns

Independent Auditor's Report to the Members of The Academy of Medical Royal Colleges

Opinion

We have audited the financial statements of The Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2025 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires 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; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

- We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charitable company this included employment law and financial reporting. The risks were discussed with the audit team, and we remained alert to any indications of non-compliance throughout the audit.
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we agreed the financial statements to underlying records and we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed accounting policies for evidence of management bias and ensured that the accounting policies were in accordance with accounting standards and correctly applied to the financial statements.
- We reviewed minutes of Trustee Board meetings to ensure any matters of non-compliance identified and reported to Trustees were adequately dealt with.
- We have made enquiries of management of the charitable company regarding laws and regulations applicable to the organisation.

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 is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shaun Jordan ACA (Senior Statutory Auditor)

For and on behalf of

Price Bailey LLP

Chartered Accountant and Statutory Auditor

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

Date: 18 December 2025

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	2	1,055,089	424,344	1,479,433	1,037,644	474,649	1,512,293
Investment income	3	28,055	-	28,055	14,064	-	14,064
Total income		1,083,144	424,344	1,507,488	1,051,708	474,649	1,526,357
Expenditure on:							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	4	1,105,458	684,732	1,790,190	1,000,985	588,246	1,589,231
Total expenditure		1,105,458	684,732	1,790,190	1,000,985	588,246	1,589,231
Net (expenditure) / income before net gains / (losses) on investments		(22,314)	(260,388)	(282,702)	50,723	(113,597)	(62,874)
Net (loss) / gain on investments		(29,773)	-	(29,773)	236,807	-	236,807
Net (expenditure) / income for the year and net movement in funds	5	(52,087)	(260,388)	(312,475)	287,530	(113,597)	173,933
Reconciliation of funds:							
Total funds brought forward		2,418,053	1,234,129	3,652,182	2,130,523	1,347,726	3,478,249
Total funds carried forward		2,365,966	973,741	3,339,707	2,418,053	1,234,129	3,652,182

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14.

The attached notes form part of these financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Balance sheet

As at 31 March 2025

			2025	2024
	Note	£	£	£
Fixed assets:				
Tangible assets	8		705,759	736,586
Investments	9		<u>2,511,899</u>	<u>2,021,469</u>
			3,217,658	2,758,055
Current assets:				
Debtors	10	61,901		213,801
Cash at bank and in hand		<u>361,524</u>		<u>938,850</u>
		423,425		1,152,651
Liabilities:				
Creditors: amounts falling due within one year	11	<u>(301,376)</u>		<u>(258,524)</u>
Net current assets			122,049	894,127
Total net assets			<u>3,339,707</u>	<u>3,652,182</u>
Funds	14			
Restricted funds			973,741	1,234,129
Unrestricted funds:				
Designated funds - building fund		705,759		736,586
Designated funds - development fund		182,780		253,145
General funds		<u>1,477,427</u>		<u>1,428,322</u>
Total unrestricted funds			<u>2,365,966</u>	<u>2,418,053</u>
Total funds			<u>3,339,707</u>	<u>3,652,182</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on 05 November 2025
and signed on their behalf by:

Alison Johns
Chair of Trustees

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of cash flows

For the year ended 31 March 2025

	Note	£	2025 £	£	2024 £
Net cash (used in) operating activities	a		(85,178)		(176,563)
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		28,055			
Purchase of fixed assets		-		(3,905)	
Cash used in investing activities			28,055		(3,905)
Change in cash and cash equivalents in the year			(57,123)		(180,468)
Cash and cash equivalents at the beginning of the year			939,350		1,119,318
Cash and cash equivalents at the end of the year	b		882,227		938,850
a) Reconciliation of net (expenditure) / income to net cash flow from operating activities					
			2025		2024
			£		£
Net (expenditure) / income for the reporting period			(312,475)		173,933
(as per the statement of financial activities)					
Depreciation			30,827		31,130
Interest			(28,055)		-
Losses / (Gains) on investments			29,773		(236,807)
Decrease / (Increase) in debtors			151,900		(158,177)
Increase in creditors			42,852		13,358
Net cash (used in) operating activities			(85,178)		(176,563)
b) Analysis of cash and cash equivalents					
		At 1 April 2024 £	Cash flows £	Other changes £	At 31 March 2025 £
Cash at bank and in hand		938,850	(577,326)	-	361,524
Cash deposit held with CCLA		500	520,203		520,703
Total cash and cash equivalents		939,350	(57,123)	-	882,227

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the England and Wales. The registered office address is 10 Dallington Street, London, EC1V 0DB.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities Act 2011, the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The financial statements are prepared in pound sterling which is the functional currency of the charity and rounded to the nearest £.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government, contracts and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are funds that have been set aside by the trustees for particular purposes. Restricted funds are subjected to restrictions on their expenditure as imposed by the donor.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities under the heading "Net gains/(losses) on investments". The charity does not acquire put options, derivatives or other complex financial instruments.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

2 Income from charitable activities

	Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	£	£	£	£	£	£
Sharing and co-ordinating the work of the Colleges and Faculties:						
Subscriptions from members	502,454	-	502,454	492,575	-	492,575
Grants and contracts for services	<u>552,635</u>	<u>424,344</u>	<u>976,979</u>	<u>545,069</u>	<u>474,649</u>	<u>1,019,718</u>
Total income from charitable activities	<u>1,055,089</u>	<u>424,344</u>	<u>1,479,433</u>	<u>1,037,644</u>	<u>474,649</u>	<u>1,512,293</u>

The above includes government grants/contracts from the NHS.

3 Income from investments

	Unrestricted	Restricted	2025 Total	Unrestricted	Restricted	2024 Total
	£	£	£	£	£	£
Bank / deposit accounts	<u>28,055</u>	<u>-</u>	<u>28,055</u>	<u>14,064</u>	<u>-</u>	<u>14,064</u>
	<u>28,055</u>	<u>-</u>	<u>28,055</u>	<u>14,064</u>	<u>-</u>	<u>14,064</u>

4 Analysis of expenditure - charitable activities

Current year

	Sharing and co-ordinating the work of the Colleges and Faculties			2025	2024
	Direct costs	Support costs	Governance costs	Total	Total
	£	£	£	£	£
Direct costs	526,172	-	-	526,172	332,221
Staff costs (See note 6)	315,827	722,299	-	1,038,126	1,028,020
Committees & forums expenses	-	17,699	934	18,633	24,448
Premises costs	-	40,115	-	40,115	38,115
Admin costs	-	41,383	-	41,383	42,220
Insurance	-	11,780	-	11,780	12,231
Communication costs	-	11,121	-	11,121	23,466
Audit fees	-	-	16,720	16,720	9,160
Legal and professional fees	-	54,195	-	54,195	47,063
Bank and credit card charges	-	1,118	-	1,118	1,157
Depreciation - owned assets	-	30,827	-	30,827	31,130
Total expenditure 2025	<u>841,999</u>	<u>930,537</u>	<u>17,654</u>	<u>1,790,190</u>	<u>1,589,231</u>

Of the total expenditure £1,105,458 (2024: £1,000,985) was unrestricted and £684,732 (2024: £588,246) was restricted.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

4 Analysis of expenditure - continued

Prior year

	Sharing and co-ordinating the work of the Colleges and Faculties			2024
	Direct costs	Support costs	Governance costs	Total
	£	£	£	£
Direct costs	332,221	-	-	332,221
Staff costs (See note 6)	497,724	530,296	-	1,028,020
Committees & forums expenses	-	24,197	251	24,448
Operating lease rentals	-	-	-	-
Premises costs	-	38,115	-	38,115
Admin costs	-	42,220	-	42,220
Insurance	-	12,231	-	12,231
Communication costs	-	23,466	-	23,466
Audit fees	-	-	9,160	9,160
Legal and professional fees	-	47,063	-	47,063
Bank and credit card charges	-	1,157	-	1,157
Depreciation - owned assets	-	31,130	-	31,130
Total expenditure 2024	829,945	749,875	9,411	1,589,231

5 Net expenditure for the year

	2025	2024
	£	£
This is stated after charging:		
Depreciation	30,827	31,130
Auditor's remuneration:		
Audit fee (excl. VAT)	13,500	9,600
Trustees' expenses	934	251

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025	2024
	£	£
Salaries and wages	858,061	838,618
Social security costs	97,700	94,219
Employer's contribution to defined contribution pension schemes	78,933	77,175
Luncheon vouchers	1,004	5,927
Temporary and other staff costs	2,428	12,081
	<u>1,038,126</u>	<u>1,028,020</u>

Pension and other post-retirement benefits:

The charity operates a defined contribution pension plan for its employees. the amount recognised as an expense in the period was £78,933 (2024: £77,175). At the 31 March 2025 £8,330 (2024: £17,862) was unpaid and included in other creditors.

The number of employees who received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year employees who received:

	2025	2024
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
£80,000 - £89,999	3	2

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £100,381 (2024: £99,803).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £6,908 (2024: £12,231).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil). One trustee was reimbursed travel & accommodation expenses during the year for £934 (2024: £251).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025	2024
	No.	No.
Office and administration	2	2
Charitable activities	14	15
	<u>16</u>	<u>17</u>

7 Taxation

The Academy is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	985,650	52,567	234,870	1,273,087
Additions in year	-	-	-	-
At the end of the year	<u>985,650</u>	<u>52,567</u>	<u>234,870</u>	<u>1,273,087</u>
Depreciation				
At the start of the year	262,660	49,635	224,206	536,501
Charge for the year	19,656	516	10,655	30,827
At the end of the year	<u>282,316</u>	<u>50,151</u>	<u>234,861</u>	<u>567,328</u>
Net book value				
At the end of the year	<u>703,334</u>	<u>2,416</u>	<u>9</u>	<u>705,759</u>
At the start of the year	<u>722,990</u>	<u>2,932</u>	<u>10,664</u>	<u>736,586</u>

All of the above assets are used for charitable purposes.

9 Investments	2025	2025	2024	2024
	Cash deposit	Ethical investment	Cash deposit	Ethical investment
	£	£	£	£
Fair value at the start of the year	500	2,020,969	-	1,784,162
Additions at cost	499,500		500	-
Net (loss)/ Gain on revaluation	-	(29,773)	-	236,807
Interest income	20,703		-	-
Fair value at the end of the year	<u>520,703</u>	<u>1,991,196</u>	<u>500</u>	<u>2,020,969</u>
Historic cost at the end of the year	<u>500,000</u>	<u>1,000,000</u>	<u>500</u>	<u>1,000,000</u>

10 Debtors	2025	2024
	£	£
Trade debtors	9,165	105,286
Other debtors	5,695	31,114
Accrued income	47,041	77,401
	<u>61,901</u>	<u>213,801</u>

11 Creditors: amounts falling due within one year	2025	2024
	£	£
Trade creditors	73,957	34,056
Taxation and social security including pension	32,349	44,011
Other creditors	56,577	23,762
Accruals	31,256	25,137
Deferred Income	107,237	131,558
	<u>301,376</u>	<u>258,524</u>

12 Deferred income	2025	2024
	£	£
Balance at the beginning of the year	131,558	86,150
Amount released to income in the year	(131,558)	(86,150)
Amount deferred in the year	107,237	131,558
Balance at the end of the year	<u>107,237</u>	<u>131,558</u>

Deferred income comprises funds received in advance of activities and services being delivered from grants or contracts in the 2025/26 financial year.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

13 Analysis of net assets between funds

Current year	General unrestricted 2025 £	Designated 2025 £	Restricted 2025 £	Total funds 2025 £
Tangible fixed assets	-	705,759	-	705,759
Investments	2,329,119	182,780	-	2,511,899
Net current assets	(851,692)	-	973,741	122,049
Net assets at the end of the year	<u>1,477,427</u>	<u>888,539</u>	<u>973,741</u>	<u>3,339,707</u>
Prior year	General unrestricted 2024 £	Designated 2024 £	Restricted 2024 £	Total funds 2024 £
Tangible fixed assets	-	736,586	-	736,586
Investments	1,768,324	253,145	-	2,021,469
Net current assets	(340,002)	-	1,234,129	894,127
Net assets at the end of the year	<u>1,428,322</u>	<u>989,731</u>	<u>1,234,129</u>	<u>3,652,182</u>

14 Movements in funds

Current year	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	9,009	-	33,368	34,631	10,272
Education and Training Projects	249,864	10,000	185,553	-	74,311
Research Hub (formerly HEE)	548,685	-	64,434	-	484,251
COPMed and COGPED	91,938	218,115	198,867	-	111,186
Medical Training Initiative(MTI)	128,107	168,729	166,468	-	130,368
Patient Safety Syllabus	34,631	-	-	(34,631)	-
Patient Safety	91,676	-	-	-	91,676
Wales Academy	5,116	-	-	-	5,116
Genomics	60,159	27,500	21,098	-	66,561
Changing Face of Medicine	6,704	-	6,704	-	-
Health Inequalities	8,240	-	8,240	-	-
Total restricted funds	<u>1,234,129</u>	<u>424,344</u>	<u>684,732</u>	<u>-</u>	<u>973,741</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	736,586	-	30,827	-	705,759
Designated Development Fund	253,145	-	70,365	-	182,780
Total designated funds	<u>989,731</u>	<u>-</u>	<u>101,192</u>	<u>-</u>	<u>888,539</u>
General funds	1,428,322	1,083,144	1,034,039	-	1,477,427
Total unrestricted funds	<u>2,418,053</u>	<u>1,083,144</u>	<u>1,135,231</u>	<u>-</u>	<u>2,365,966</u>
Total funds	<u>3,652,182</u>	<u>1,507,488</u>	<u>1,819,963</u>	<u>-</u>	<u>3,339,707</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

14 Movements in funds (continued)

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	31,637	-	22,628	-	9,009
Education and Training Projects	244,508	45,999	40,643	-	249,864
Research Hub (formerly HEE)	610,512	-	61,827	-	548,685
COPMed and COGPED	58,173	243,130	209,365	-	91,938
Medical Training Initiative	132,461	160,694	165,048	-	128,107
Patient Safety Syllabus	52,578	-	17,947	-	34,631
Patient Safety	91,676	-	-	-	91,676
Wales Academy	5,116	-	-	-	5,116
Genomics	97,617	24,826	62,284	-	60,159
Changing Face of Medicine	15,208	-	8,504	-	6,704
Health Inequalities	8,240	-	-	-	8,240
Total restricted funds	<u>1,347,726</u>	<u>474,649</u>	<u>588,246</u>	<u>-</u>	<u>1,234,129</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	764,311	-	31,130	3,405	736,586
Designated Development Fund	312,557	-	59,412	-	253,145
Total designated funds	<u>1,076,868</u>	<u>-</u>	<u>90,542</u>	<u>3,405</u>	<u>989,731</u>
General funds	1,053,655	1,288,515	910,443	(3,405)	1,428,322
Total unrestricted funds	<u>2,130,523</u>	<u>1,288,515</u>	<u>1,000,985</u>	<u>-</u>	<u>2,418,053</u>
Total funds	<u>3,478,249</u>	<u>1,763,164</u>	<u>1,589,231</u>	<u>-</u>	<u>3,652,182</u>

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

E-Lfh (e-learning for health) Fund. This is from HEE (as was) and enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh, including the Foundation e-Learning programme.

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE (as was) for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project did not progress as originally intended and was used for to draw down former CEO secondment costs. Awaiting further instruction from funder.

Research Hub (formerly HEE). Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and workforce research.

COPMeD/COGPED. Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the CPMED/COGPED secretariat which support and manages their budget.

Medical Training Initiative (MTI). The Academy was commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding, now provided by NHSE (formerly HEE), supports the Academy's management of the scheme including our MTI staff.

Patient Safety. A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. Funded by HEE (as was).

Wales Academy. including income from Wales's members and costs of administration and management charge.

Genomics. NHS England funded work to promote understanding and spread of genomics.

Changing Face of Medicine. Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources.

Health Inequalities. A review of existing educational resources concerning health inequalities. Health inequalities are defined as the unfair and avoidable differences in health across the population, and between different groups within society.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2025

14 Movements in funds (continued)

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Development Fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources, unforeseeable expenditure, or investment in the Academy's systems, assets or employees.

15 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

16 Related party transactions

There are no related party transactions to disclose for 2025 (2024: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.

Accounts



The Academy of Medical Royal Colleges Trustees' Annual Report

For the year 1 April 2023 to 31 March 2024

Company Number: 03166361

Charity Number: 1056565

The Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy"). The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Benefits and Beneficiaries

The charity's ultimate beneficiaries are patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' annual report. The Trustees are of the view that the pursuit of the Academy's objects provides public benefit as follows:

- Through ensuring that all the work of the Academy starts from a patient-centred approach, and either is aimed directly or indirectly at improving the quality of care for patients.
- Through the delivery of projects which have potential benefit to patients.
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy Council and the involvement of lay members in all the major work streams run by the Academy such as education and quality improvement.
- Through the support of cross-College activity which has an express aim of providing public benefit.

Main Activities

- In pursuance of its charitable objectives, the Academy's principal activity is sharing and coordinating the work of the Colleges and Faculties.
- The Academy undertakes project work in areas which cross College/Faculty boundaries. In particular, the Academy co-ordinates College and Faculty activity on issues relating to education and training, quality improvement and workforce.
- The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.
- The Academy regularly meets Ministers and senior staff from the UK Department of Health and Social Care and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to relevant consultation documents on generic issues.

Policy Priorities

The Academy reviews its policy priorities on an annual basis. In 2023-24 this was achieved in the context of two overarching health policy objectives:

- Addressing the workforce requirements of the health and care sector in order to improve patient care, and
- Articulating a practical vision for a sustainable health and care system for the benefit of patients and the public.

These overarching health policy objectives were achieved through the following workstreams:

- Workforce
- Education and training
- System improvement (Today's NHS)
- Rethinking medicine and a sustainable future NHS (Tomorrow's NHS)

ACHIEVEMENTS AND PERFORMANCE

The Academy achieved its objectives through the following specific projects and activities:

- **Workforce:** *Seeking to ensure we have the appropriate workforce, in the right numbers, properly supported and valued.*

- The workforce committee continues to identify, explore, and agree an Academy position on key workforce issues, including recruitment and retention, flexible working (including portfolio careers), wellbeing, future workforce planning, the changing shape of the profession (including trainees, Speciality and Specialist doctors (SAS), Locally Employed Doctors, and consultants and GPs), multi-professional team working, and new ways of working across healthcare.
- We continue to provide a cross-college view on cross-cutting issues which affect doctors and patients to government and other policy makers in all four nations as well as many national working groups and committees. Our participation in working groups such as NHSE's Medical Education and Training Forum, the Medical and Dental Recruitment and Selection Board and the GMC consultation on updating Good Medical Practice – where we coordinated members' views in advance of publication of the new version - are good examples of this.
- We continue as the national visa sponsor for the Medical Training Initiative scheme, providing advice and support to members where appropriate, although we are awaiting a review of the programme, instigated by NHSE. This will likely conclude in a full procurement exercise being undertaken by NHSE. At this stage, the Academy intends to bid again for this work.
- **Education and Training:** *Supporting Colleges in maintaining excellence in medical education and training to ensure the highest quality delivery of care.*
 - The creation of principles and guidance for all members on exam preparation, feedback, and support; nullification of exam attempts; and jointly hosting a workshop with the GMC on fairer training cultures.
 - Work is being undertaken to optimise assessment for all parties and to look at the value of workplace-based assessments. A freelance Medical Royal College Assessor has been appointed to provide advice to colleges on difficulties surrounding applications for reasonable adjustments.
 - We continue to manage the foundation programme curriculum, and work with the UK Foundation Programme Office to ensure close ties between them and colleges where appropriate.
 - Work is ongoing to consider the impact of the new version of Good Medical Practice (GMP) on the processes of appraisal and revalidation of doctors, and ways of optimising patient feedback as part of those processes.
 - A survey of Council sub-committee members was undertaken. Overall, the feedback was positive, and we are actioning some points raised, particularly relating to the format of the Joint Academy Training Forum.
 - Lay input is actively sought for all our work, and the sub-committees provide

valuable fora for sharing of best practice and gaining peer support for areas of common interest to our members.

- **System improvement** (i.e. Today's NHS) – Seeking to improve the operational efficiency and effectiveness of the NHS for the benefit of patients and staff.
 - Supporting NHS initiatives to help ease the post-Covid backlog. These specifically included continued work on the [Evidence-based Interventions Programme](#) which is led by the Academy and is now in its fourth year. This initiative is designed to ensure the reduction of inappropriate tests, treatments and procedures where alternatives may be better and safer for the patient. The latest focus was on urology, but there is a suite of more than 60 interventions now being used by clinicians to improve the quality of care and which have a direct benefit to patients and the public. This programme concluded in October 2024 and has now been adopted as business as usual by the NHS.
 - In September 2023, the Academy, worked in partnership with the highly respected House of Commons Library and Parliamentary Office for Science and Technology (POST) to deliver a successful parliamentary event in the Palace of Westminster. The event involved three experienced parliamentarians who were standing down and provided their reflections on the upcoming challenges for health and care. It was attended by 100 senior NHS and social care leaders. Further events are planned once the new parliament convenes.
 - The Academy published a major paper in May 2023 entitled [Working Better Together: General practice and secondary care](#), which included 50 live case studies of collaborative working that is improving patient care and experiences.
 - In the Spring of 2023, the Academy worked with YouTube and its owner Google to produce a report called '[Assuring the credibility of health information sources on social media platforms](#).' This followed an extensive engagement programme, facilitated by the Academy and involving health charities, patient groups medical regulators, content creators and others. It was well-received and sets out basic guidance for social media platforms on ways they can promote accurate and unbiased health information and suppress mis or disinformation.
 - In March 2024, the Academy published its [High-level principles concerning Physician Associates](#) paper, which sits alongside the Academy Trainee Doctors' Committee (ATDC¹'s) own [statement on Physician Associates](#) which was published in December 2023.
 - Throughout the year the Academy Council and its various sub-committees have produced key policy papers, statements and reports which have sought to

¹ In October 2024 the Academy Trainee Doctors' Committee was renamed the Academy Resident Doctors Committee

shape political thinking and service delivery. These include Securing our healthy future: [Prevention is better than cure](#), a statement on [adult social care](#), the Academy Trainee Doctors Committee's (as it used to be known) REFORM principles and reports on [training costs](#) and [recruitment](#).

- The Academy is working with a public services consultancy, Impower on how we deliver the long-promised shift to more home and community-based care. This report will seek to influence the thinking of the new Secretary of State for Health as he attempts to transform access, delivery and experience. It will draw on a round table of 25+ senior health and care leaders which took place in May 2024 and is due to be published in Autumn 2024 (publication was delayed, pending release of the Darzi Report).
- In addition, the Academy has produced a number of private, unpublished briefings for senior politicians and officials on a range of workforce and service delivery issues.
- The Academy continues to use its convening power to bring senior decision makers together with Academy Council and its sub-committees to shape and influence thinking and decision-making.
- The Academy is producing induction course materials for clinicians working in the new gender clinics for children and young people with gender dysphoria an/or gender related distress. This is a complex and challenging area of clinical activity and the work, which is funded by NHS Specialised Commissioning, has been well-received. More work is likely to follow as more new specialist gender clinics become operational in 2024/25.
- The Academy is also leading the work on assuring the quality of NHS pathways. This involves coordinating the work of many clinicians who are asked to look at the way NHS 111 operates for patients with particular conditions and assesses whether it offers safe and reliable guidance.
- The Academy's Patient and Lay Group is a valuable asset to the work of the Academy. Among other work, it is considering updating our [guidance](#) on effective patient and public involvement in the work of our members.
- The Academy hosts high-level meetings with the Chief Medical Officer and the NHS Medical Director on a weekly basis to ensure they are informed by medical royal college presidents of what is actually happening at the coalface in healthcare.
- **Rethinking Medicine and ensuring a sustainable future NHS (i.e. Tomorrow's NHS) – Seeking to help reshape the future delivery of health and care to provide person-centred equitable services in the future for the whole population.**
- The Academy continues to support [Choosing Wisely](#) which operates in parallel to the EBI programme and is focussed on helping doctors and patients make

better decisions about their care, by discussing the **b**enefits, **r**isks, **a**lternatives as well as what will happen if they do **n**othing. The BRAN acronym is now firmly embedded in a range of public and patient involvement programmes across the UK. The Academy is in active discussions with a number of organisations about how to progress this work and other initiatives designed to tackle over-medicalisation and attract additional funding.

- The Academy is continuing to host a working group for doctors and other clinicians working to embed genomics into everyday healthcare and is involved in the design and implementation of a national genomics strategy.
- The Academy is leading the delivery of a workforce and education research hub (WE-R NHS) which launched in 2023 and now provides opportunities for the NHS staff and wider multi-disciplinary teams to learn from and contribute to research and medical education innovation to the NHS community. The sharing of up-to-date research, case studies and innovation in medical research offers an opportunity for the NHS workforce to improve patient care.

Indicators, Milestones and Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

FINANCIAL REVIEW

Financial Results of Activities and Events

The financial results of the charity's activities for the period ended 31 March 2024 are set out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work. The Trustees carefully monitor performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12-month period, the charity generated total incoming resources of £1,526,357 (2023: £1,122,969) and expended total resources of £1,589,231 (2023: £1,727,886).

In addition to its committees and associated work programmes, the Academy undertakes project work funded by national health bodies and fitting with the Academy's strategic

aims. Some of these projects straddle more than one financial year and payment schedules vary. The deficit in accounts in the current year relates to restricted funds only. It was planned and is due to the timing difference that arises when income received in advance is recognised in a previous year but spent in the current year.

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. The Board is aware of the need to ensure that restricted funds are fully utilised. Details of individual funds can be found in note 14 of the financial statements.

Remuneration Policy

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

Reserves Policy

As of 31 March 2024, the Academy held £3,652,182 in total reserves. Of this, £1,234,129 was held as restricted funds, £989,731 was held as designated funds, and £1,428,322 was unrestricted. The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

The approach used to calculate the target range of unrestricted reserves is to hold between 9 and 12 months running costs in unrestricted reserves. The annual running costs in 2023/24, excluding direct project costs, were £1,258k, therefore the target range for unrestricted reserves is between £944k and £1.26M. At 31 March 2024, the Academy held £3,652,182 in total reserves. Of this, £1,234,129 was held in restricted funds, £989,731 was held as designated funds, and £1,428,322 was unrestricted. This means that £170,322 can be transferred to the development fund.

The Board has designated a "Development Fund" to cover specific expenditure related to the Academy's development programme and strategic finance needs. This fund has been used for a range of development activities this year. These needs will vary over time; therefore the Board reconsiders the appropriate level on an annual basis. As at 31 March 2024, the development fund stood at £253k. There is £84,259 of planned expenditure from the development fund in 2024-25. With the transfer of £170,322 from unrestricted reserves, this leaves an expected £339,148 in the development fund at the end of the financial year 2024-25. Trustees have assessed this as sufficient for current needs.

Going Concern

The Trustees considered that there were no material uncertainties about the Academy's ability to continue as a going concern. However, there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

Going concern status is considered annually by the Board of Trustees when approving the annual accounts.

Investments Policy

The Trustees are empowered to invest any monies not immediately required in such investments, securities or property, as may be thought fit. The Board has adopted a policy of ethical investment. This means the Academy avoids investments in fossil fuels, tobacco, alcohol, armaments, gambling or adult entertainment. The Academy's investments are currently held in CCLA's COIF Ethical Investment Fund, which meets these investment criteria. The target benchmark for this fund is Consumer Prince Index plus 5%, meaning that over time the fund aims to achieve an average total return before costs of inflation, as measured by the CPI, plus 5%. Over a 12 month period, to 31st March 2024, the fund exceeded this target (13.11% > 8.2%).

Fundraising practice

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by

guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996 and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011 and have been revised annually subsequently. At the time of writing, a more substantial revision is currently in progress. The Articles of Association were reviewed, and minor changes made in September 2022.

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council, a standing committee of the Board. The work of the Academy is centred on the Council which comprises the Presidents or equivalent Head Officers of all member Colleges and Faculties. The Council has established a series of sub-committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council supported by two council elected Vice Chairs, an Independent Clinician Trustee, and a Royal College of General Practitioners (RCGP) representative. Officers direct work between Council meetings.

The Academy has a senior executive officer, the Executive Director, and employs other full and part time employees, who all work closely with the elected Officers.

Governance

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or equivalent head officers, form the bulk of the Academy Council². The Council has been delegated responsibility for the development and implementation of Academy policy on healthcare issues and the healthcare profession.

The Board of Trustees is responsible for the governance of the organisation and comprises an appointed Chair of Trustees, three further lay trustees, three members of the Academy Council and the Chair of Council. At least two of the lay trustees must not be medically

² The Council also includes the Chair of Council, the Independent Clinician Trustee and the second Royal College of General Practitioners representative

qualified.

The Board has an Audit and Risk Committee comprising a minimum of three trustees and the Chair of Trustees who attends ex officio. The Audit and Risk Committee looks at specific financial and risk issues in detail on behalf of the Board.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

— Recruitment, Appointment and Election

The lay trustees are appointed through a process of public advertisement and appointment. The Regulations set out the composition of the panel required to appoint lay trustees. The Council trustees are elected by the members of the Council following a call for nominations. The Independent Clinician Trustee is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Chair of Council is a trustee by virtue of their role.

— Induction and Training

Trustees receive copies of Charity Commission guidance for trustees together with the organisation's Articles and Regulations. The Academy also publishes information on each of its members on its website. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chair of Trustees and the Executive Director. Trustees can attend meetings of the Council to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity by email.

There is an annual process of performance review for trustees on an individual and collective basis and on seeking re-appointment.

External training is also available for trustees on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

Risk and Corporate Governance Matters

A formal risk register is maintained, under the headings of strategic, operational, people/staff, reputational and financial and investment risks. Key risks identified during the year and the methods to reduce, manage or eliminate these risks are:

- **Failure to secure new long-term funding sources.** The Trustees are seeking to ensure continued external funding in the more difficult economic climate. This remains a key issue for the Board.
- **Difficulties contracting with national bodies.** Delays in procurement process, onerous contractual terms, and a lack of long-term financial commitments from the Academy's funders continue to present challenges. The Academy has had little choice but to work 'at risk' on a number of key projects. However, this has not yet resulted in any loss of income for the Academy.
- **Cyber security.** Cyber security remains a major risk for all organisations and especially charities. This is mitigated through the creation and implementation of an IT security policy, regular meetings with the Academy's outsourced IT provider, employee cyber security training and obtaining Cyber Essentials certification. IT security is continually monitored and reviewed by the Board and employee training is ongoing.
- **Contentious policy issues with the potential to divide membership.** The external environment is fractious with strongly held and opposing views on a number of key policy issues dividing the profession and making it difficult to reach consensus. The Chair of Council and the Academy's senior leadership team are alive to this issue and the election of a new government presents a further opportunity to cement the Academy's position as the leading moderate voice.

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee keeps the content and format of the Risk Register under review.

The Board receives a report on the performance of the organisation at each meeting and also on financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis as well as to verbally declare any new or relevant interests at the beginning of each meeting of the Board or its committees. This is compiled into a register of interests which is reviewed annually by the Board and published on the Academy's website.

Staffing and HR

There is a rolling programme to review all HR policies at least once every 3 years. The pay and reward structure was revised in April 2019 and remains in place (with annual salary reviews).

The senior leadership team restructure, which was implemented in 2022, remains in place and is operating effectively.

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, Officers, and employees of the charity.

Trustees' and Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees as directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Audit and Risk Committee meets with the auditors to consider and discuss their findings.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PLANS FOR FUTURE PERIODS

Future Strategy, Activities and their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board.

There has been a decline in funding for some projects from national bodies, however, this has been offset by new project income streams. The Trustees continually monitor this situation and are aware of the need to continue to generate income to ensure the long-term viability of the Academy.

The last strategic review of the organisation's activities was conducted in 2021 and considered options for the development of future activity in conjunction with members. In essence, members were strongly supportive of the Academy's role in representing and advocating for members and were keen to see the organisation's focus remains on this. Widening membership of the Academy beyond medical organisations was not felt to be appropriate at the current time. Members recognised the need for the Academy to generate income through project activity, but this should not distract from the organisation's core representational role. The question of expanding membership of the Academy was considered again by Council in July 2024. It was decided not to grant membership to organisations who are not yet distinct medical specialties in their own right.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, are:

Professor Andrew Eder, Chair of Trustees (throughout the period covered by this report, commenced first term on 1st April 2022)

Mrs Sarah Harkness, Lay Trustee and Chair of the Audit and Risk Committee (throughout the period covered by this report and Chair of the Audit and Risk Committee from

December 2022), demitted September 2024

Mr David Stout, Lay Trustee (throughout the period covered by this report, commenced first term on 1st December 2022)

Mr Graham Smith, Lay Trustee (throughout the period covered by this report, commenced first term on 1st December 2022)

Dr Daniele Bryden, Council Trustee (commenced first term on 26th May 2023)

Dr Jeanette Dickson, Chair of Council (commenced on 6th July 2023)

Professor Bernie Chang, Council Trustee (demitted as a Council Trustee 25th May 2023, reappointed as Independent Clinician Trustee from 1st November 2023)

Professor Kamila Hawthorne, Council Trustee (commenced on 1st December 2023)

Professor Dame Helen Stokes-Lampard, Chair of Council (demitted on 7th July 2023)

Dr Mike Osborn, Council Trustee (demitted on 30th November 2023)

Dr Anne de Bono, Independent Clinician Trustee (demitted on 31st October 2023)

The address of the charity and the registered office of the company is at:

10 Dallington Street, London EC1V 0DB.

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor: Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP

Auditor: Sayer Vincent LLP, 110 Golden Lane, London, EC1Y 0TG

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

Asset Manager: CCLA, One Angel Lane, London, EC4R 3AB

The following key senior members of staff have been responsible for the day-to-day management of the charity: Mrs Amy White, Executive Director.

EXEMPTIONS FROM DISCLOSURE

No exemptions from disclosure apply.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are allocated for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

OTHER INFORMATION

This report has been produced to comply with statutory reporting requirements and follows the structure for a Trustees Report as laid out in SORP FRS 102. For further information on the work of the Academy during this period, please see [the Academy website](#).

APPROVAL

This report was approved by the Trustees on 6th November 2024, and was signed for and on behalf of the board by:

The Chair of Trustees, Professor Andrew Eder

Independent auditor's report to the members of the Academy of Medical Royal Colleges

Opinion

We have audited the financial statements of The Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 Academy of Medical Royal College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

-
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

-
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
 - We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
 - In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

25 November 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2024

		Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
	Note						
Income from:							
Sharing & co-ordinating the work of the Colleges & Faculties	2	1,037,644	474,649	1,512,293	705,659	411,411	1,117,070
Investment income	3	14,064	-	14,064	5,899	-	5,899
Total income		1,051,708	474,649	1,526,357	711,558	411,411	1,122,969
Expenditure on:							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	4	1,000,985	588,246	1,589,231	860,235	867,651	1,727,886
Total expenditure		1,000,985	588,246	1,589,231	860,235	867,651	1,727,886
Net (expenditure) / income before net gains / (losses) on investments		50,723	(113,597)	(62,874)	(148,677)	(456,240)	(604,917)
Net gain / (loss) on investments		236,807	-	236,807	(35,690)	-	(35,690)
Net income / (expenditure) for the year and net movement in funds	5	287,530	(113,597)	173,933	(184,367)	(456,240)	(640,607)
Reconciliation of funds:							
Total funds brought forward		2,130,523	1,347,726	3,478,249	2,314,890	1,803,966	4,118,856
Total funds carried forward		2,418,053	1,234,129	3,652,182	2,130,523	1,347,726	3,478,249

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14.

The attached notes form part of these financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Balance sheet

As at 31 March 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	8		736,586		764,311
Investments	9		2,021,469		1,784,162
			<u>2,758,055</u>		<u>2,548,473</u>
Current assets:					
Debtors	10	213,801		55,624	
Cash at bank and in hand		<u>938,850</u>		<u>1,119,318</u>	
		<u>1,152,651</u>		<u>1,174,942</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(258,524)</u>		<u>(245,166)</u>	
Net current assets			<u>894,127</u>		<u>929,776</u>
Total net assets			<u><u>3,652,182</u></u>		<u><u>3,478,249</u></u>
Funds	14				
Restricted funds			1,234,129		1,347,726
Unrestricted funds:					
Designated funds - building fund		736,586		764,311	
Designated funds - development fund		253,145		312,557	
General funds		<u>1,428,322</u>		<u>1,053,655</u>	
Total unrestricted funds			<u>2,418,053</u>		<u>2,130,523</u>
Total funds			<u><u>3,652,182</u></u>		<u><u>3,478,249</u></u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on 6th Nov 2024
and signed on their behalf by:

Professor Andrew Eder
Chair of Trustees

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of cash flows

For the year ended 31 March 2024

	Note	2024	2023	
		£	£	
Net cash (used in) operating activities	a	(176,563)	(239,962)	
Cash flows from investing activities:				
Purchase of fixed assets		(3,905)	-	
Cash used in investing activities		(3,905)	-	
Change in cash and cash equivalents in the year		(180,468)	(239,962)	
Cash and cash equivalents at the beginning of the year		1,119,318	1,359,280	
Cash and cash equivalents at the end of the year	b	938,850	1,119,318	
a) Reconciliation of net expenditure to net cash flow from operating activities				
		2024	2023	
		£	£	
Net (expenditure) / income for the reporting period (as per the statement of financial activities)		173,933	(640,607)	
Depreciation		31,130	47,587	
(Gains) / Losses on investments		(236,807)	35,690	
(Increase) / Decrease in debtors		(158,177)	241,220	
Increase in creditors		13,358	76,148	
Net cash (used in) operating activities		(176,563)	(239,962)	
b) Analysis of cash and cash equivalents				
	At 1 April 2023 £	Cash flows £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	1,119,318	(180,468)	-	938,850
Total cash and cash equivalents	1,119,318	(180,468)	-	938,850

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

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

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

2 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Sharing and co-ordinating the work of the Colleges and Faculties:						
Subscriptions from members	492,575	-	492,575	469,125	-	469,125
Grants and other similar funding	545,069	474,649	1,019,718	236,534	411,411	647,945
Total income from charitable activities	1,037,644	474,649	1,512,293	705,659	411,411	1,117,070

3 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Bank interest	14,064	-	14,064	5,899	-	5,899
	14,064	-	14,064	5,899	-	5,899

4 Analysis of expenditure

Current year

	Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities £	Support costs £	Governance costs £	2024 Total £	2023 Total £
Direct costs	332,221	-	-	332,221	432,096
Staff costs (See note 6)	497,724	530,296	-	1,028,020	1,046,360
Committees & forums expenses	-	24,197	251	24,448	31,553
Operating lease rentals	-	-	-	-	10,136
Premises costs	-	38,115	-	38,115	26,352
Admin costs	-	42,220	-	42,220	34,718
Insurance	-	12,231	-	12,231	10,380
Communication costs	-	23,466	-	23,466	30,651
Audit fees	-	-	9,160	9,160	10,826
Legal and professional fees	-	47,063	-	47,063	45,823
Bank and credit card charges	-	1,157	-	1,157	1,404
Depreciation - owned assets	-	31,130	-	31,130	47,587
	829,945	749,875	9,411	1,589,231	1,727,886
Support costs	749,875	(749,875)	-	-	-
Governance costs	9,411	-	(9,411)	-	-
Total expenditure 2024	1,589,231	-	-	1,589,231	1,727,886

Of the total expenditure £1,000,985 (2023: £860,235) was unrestricted and £588,246 (2023: £867,651) was restricted.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

4 Analysis of expenditure - continued

Prior year

	Sharing and co-ordinating the work of the Colleges and Faculties			2023 Total £
	Charitable activities £	Support costs £	Governance costs £	
Direct costs	432,096	-	-	432,096
Staff costs (See note 6)	528,385	517,975	-	1,046,360
Committees & forums expenses	-	31,392	161	31,553
Operating lease rentals	-	10,136	-	10,136
Premises costs	-	26,352	-	26,352
Admin costs	-	34,718	-	34,718
Insurance	-	10,380	-	10,380
Communication costs	-	30,651	-	30,651
Audit fees	-	-	10,826	10,826
Legal and professional fees	-	45,823	-	45,823
Bank and credit card charges	-	1,404	-	1,404
Depreciation - owned assets	-	47,587	-	47,587
	960,481	756,418	10,987	1,727,886
Support costs	756,418	(756,418)	-	-
Governance costs	10,987	-	(10,987)	-
Total expenditure 2023	<u>1,727,886</u>	<u>-</u>	<u>-</u>	<u>1,727,886</u>

5 Net expenditure for the year

	2024 £	2023 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	-	10,136
Depreciation	31,130	47,587
Auditor's remuneration:		
Audit fee (excl. VAT)	9,600	9,000
Trustees' expenses	251	161

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	838,618	852,793
Social security costs	94,219	97,377
Employer's contribution to defined contribution pension schemes	77,175	74,284
Luncheon vouchers	5,927	11,450
Temporary and other staff costs	12,081	10,456
	<u>1,028,020</u>	<u>1,046,360</u>

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2024	2023
	No.	No.
£70,000 - £79,999	1	2
£80,000 - £89,999	2	1
£110,000 - £120,000	-	1

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £99,803 (2023: £144,943).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £12,231 (2023: £10,380).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil). One trustee was reimbursed travel & accommodation expenses during the year for £251 (2023: £161).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Office and administration	2	2
Charitable activities	15	14
	<u>17</u>	<u>16</u>

7 Taxation

The Academy is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	985,650	49,162	234,870	1,269,682
Additions in year	-	3,405	-	3,405
At the end of the year	<u>985,650</u>	<u>52,567</u>	<u>234,870</u>	<u>1,273,087</u>
Depreciation				
At the start of the year	243,004	49,149	213,218	505,371
Charge for the year	19,656	486	10,988	31,130
At the end of the year	<u>262,660</u>	<u>49,635</u>	<u>224,206</u>	<u>536,501</u>
Net book value				
At the end of the year	<u>722,990</u>	<u>2,932</u>	<u>10,664</u>	<u>736,586</u>
At the start of the year	<u>742,646</u>	<u>13</u>	<u>21,652</u>	<u>764,311</u>

All of the above assets are used for charitable purposes.

9 Investments	2024	2023
	£	£
Fair value at the start of the year	1,784,162	1,819,852
Additions at cost	500	-
Net Gain on revaluation	236,807	(35,690)
Fair value at the end of the year	<u>2,021,469</u>	<u>1,784,162</u>
Historic cost at the end of the year	<u>1,000,500</u>	<u>1,000,000</u>

10 Debtors	2024	2023
	£	£
Trade debtors	105,286	32,527
Other debtors	31,114	23,097
Accrued income	77,401	-
	<u>213,801</u>	<u>55,624</u>

11 Creditors: amounts falling due within one year	2024	2023
	£	£
Trade creditors	34,056	47,198
Taxation and social security including pension	44,011	35,218
Other creditors	23,762	9,378
Accruals	25,137	67,222
Deferred Income	131,558	86,150
	<u>258,524</u>	<u>245,166</u>

12 Deferred income	2024	2023
	£	£
Balance at the beginning of the year	86,150	-
Amount released to income in the year	(86,150)	-
Amount deferred in the year	131,558	86,150
Balance at the end of the year	<u>131,558</u>	<u>86,150</u>

Deferred income comprises funds received in advance of activities and events in the 2024/25 financial year.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

13 Analysis of net assets between funds

Current year

	General unrestricted 2024 £	Designated 2024 £	Restricted 2024 £	Total funds 2024 £
Tangible fixed assets	-	736,586	-	736,586
Investments	1,768,324	253,145	-	2,021,469
Net current assets	(340,002)	-	1,234,129	894,127
Net assets at the end of the year	<u>1,428,322</u>	<u>989,731</u>	<u>1,234,129</u>	<u>3,652,182</u>

	General unrestricted 2023 £	Designated 2023 £	Restricted 2023 £	Total funds 2023 £
Analysis of net assets between funds				
Prior year				
Tangible fixed assets	-	764,311	-	764,311
Investments	1,471,605	312,557	-	1,784,162
Net current assets	(417,950)	-	1,347,726	929,776
Net assets at the end of the year	<u>1,053,655</u>	<u>1,076,868</u>	<u>1,347,726</u>	<u>3,478,249</u>

14 Movements in funds

Current year	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	31,637	-	22,628	-	9,009
Education and Training Projects	244,508	45,999	40,643	-	249,864
Research Hub (formerly HEE)	610,512	-	61,827	-	548,685
COPMed and COGPED	58,173	243,130	209,365	-	91,938
Medical Training Initiative(MTI)	132,461	160,694	165,048	-	128,107
Patient Safety Syllabus	52,578	-	17,947	-	34,631
Patient Safety	91,676	-	-	-	91,676
Wales Academy	5,116	-	-	-	5,116
Genomics	97,617	24,826	62,284	-	60,159
Changing Face of Medicine	15,208	-	8,504	-	6,704
Health Inequalities	8,240	-	-	-	8,240
Total restricted funds	<u>1,347,726</u>	<u>474,649</u>	<u>588,246</u>	<u>-</u>	<u>1,234,129</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	764,311	-	31,130	3,405	736,586
Designated Development Fund	312,557	-	59,412	-	253,145
Total designated funds	<u>1,076,868</u>	<u>-</u>	<u>90,542</u>	<u>3,405</u>	<u>989,731</u>
General funds	1,053,655	1,288,515	910,443	(3,405)	1,428,322
Total unrestricted funds	<u>2,130,523</u>	<u>1,288,515</u>	<u>1,000,985</u>	<u>-</u>	<u>2,418,053</u>
Total funds	<u>3,478,249</u>	<u>1,763,164</u>	<u>1,589,231</u>	<u>-</u>	<u>3,652,182</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

14 Movements in funds (continued)

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	56,559	-	24,922	-	31,637
Education and Training Projects	365,281	20,000	140,773	-	244,508
Research Hub (formerly HEE)	635,373	-	24,861	-	610,512
COPMed and COGPED	104,913	154,587	201,327	-	58,173
Medical Training Initiative	178,277	132,635	178,451	-	132,461
Patient Safety Syllabus	233,274	-	180,696	-	52,578
Patient Safety	91,676	-	-	-	91,676
Choosing Wisely	2,142	-	2,142	-	-
Wales Academy	8,116	-	3,000	-	5,116
Genomics	127,629	71,199	101,211	-	97,617
Changing Face of Medicine	726	23,000	8,518	-	15,208
Health and Work Funding	-	9,990	1,750	-	8,240
Total restricted funds	<u>1,803,966</u>	<u>411,411</u>	<u>867,651</u>	<u>-</u>	<u>1,347,726</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	811,898	-	47,587	-	764,311
Designated Development Fund	361,071	-	48,514	-	312,557
Total designated funds	<u>1,172,969</u>	<u>-</u>	<u>96,101</u>	<u>-</u>	<u>1,076,868</u>
General funds	1,141,921	711,558	799,824	-	1,053,655
Total unrestricted funds	<u>2,314,890</u>	<u>711,558</u>	<u>895,925</u>	<u>-</u>	<u>2,130,523</u>
Total funds	<u>4,118,856</u>	<u>1,122,969</u>	<u>1,763,576</u>	<u>-</u>	<u>3,478,249</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

E-Lfh (e-learning for health) Fund. This is from HEE (as was) and enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh, including the Foundation e-Learning programme.

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE (as was) for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project did not progress as originally intended and was used for to draw down former CEO secondment costs. Awaiting further instruction from funder.

Research Hub (formerly HEE). Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and workforce research.

COPMeD/COGPED. Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the CPMED/COGPED secretariat which support and manages their budget.

Medical Training Initiative (MTI). The Academy was commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding, now provided by NHSE (formerly HEE), supports the Academy's management of the scheme including our MTI staff.

Patient Safety. A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. Funded by HEE (as was).

Wales Academy. including income from Wales's members and costs of administration and management charge.

Genomics. NHS England funded work to promote understanding and spread of genomics.

Changing Face of Medicine. Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources. Work carried out by a contracted consultant and will be concluded in 2024/25.

Health Inequalities. A review of existing educational resources concerning health inequalities. Health inequalities are defined as the unfair and avoidable differences in health across the population, and between different groups within society.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2024

14 Movements in funds (continued)

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Development Fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources, unforeseeable expenditure, or investment in the Academy's systems, assets or employees.

15 Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
Rent receivable:	£	£
Less than 1 year	-	60,000
	<u>-</u>	<u>60,000</u>

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no related party transactions to disclose for 2024 (2023: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.

Accounts



The Academy of Medical Royal Colleges Trustees' Annual Report

For the year 1 April 2022 to 31 March 2023

Company Number: 03166361

Charity Number: 1056565

The Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy"). The financial statements comply with current statutory requirements, the memorandum and articles of association, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Benefits and Beneficiaries

The charity's ultimate beneficiaries are patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' annual report. The Trustees are of the view that the pursuit of the Academy's objects provides public benefit as follows:

- Through ensuring that all the work of the Academy starts from a patient-centred approach and either is aimed directly or indirectly at improving the quality of care for patients.
- Through the delivery of projects which have potential benefit to patients.
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy Council and the involvement of lay members in all the major work streams run by the Academy such as education and quality improvement.
- Through the support of cross-College activity which has an express aim of providing public benefit.

Main Activities

- In pursuance of its charitable objectives, the Academy's principal activity is sharing and coordinating the work of the Colleges and Faculties.
- The Academy undertakes project work in areas which cross College/Faculty boundaries. In particular, the Academy co-ordinates College and Faculty activity on issues relating to education and training, quality improvement and workforce.
- The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.
- The Academy regularly meets Ministers and senior staff from the UK Department of Health and Social Care and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to relevant consultation documents on generic issues.

Policy Priorities

The Academy reviews its policy priorities on an annual basis. In 2022-23 this was achieved in the context of two overarching health policy objectives:

- Addressing the workforce requirements of the health and care sector in order to improve patient care, and
- Articulating a practical vision for a sustainable health and care system for the benefit of patients and the public.

These overarching health policy objectives were achieved through the following workstreams:

- Workforce
- Education and training
- System improvement (Today's NHS)
- Rethinking medicine and a sustainable future NHS (Tomorrow's NHS)

ACHIEVEMENTS AND PERFORMANCE

The Academy achieved its objectives through the following specific projects and activities:

- **Workforce:** *Seeking to ensure we have the appropriate workforce, in the right numbers, properly supported and valued.*

- Creation of a new workforce committee to identify, explore, and agree an Academy position on key workforce issues, including recruitment and retention, flexible working (including portfolio careers), wellbeing, future workforce planning, the changing shape of the profession (including trainees, Speciality and Specialist doctors (SAS), Locally Employed Doctors, and consultants and GPs), multi-professional team working, and new ways of working across healthcare.
- We continue to provide a cross-college view on cross-cutting issues which affect doctors and patients to government and other policy makers in all four nations as well as many national working groups and committees. Our work on 'enhancing junior doctors' working lives', the Medical and Dental Recruitment and Selection Board and the GMC consultation on updating Good Medical Practice – where we are coordinating members' views - are good examples of this.
- We continue as the national visa sponsor for the Medical Training Initiative scheme, providing advice and support to members where appropriate.
- The major accomplishment was to ensure the publication of a Long-Term Workforce Plan for the NHS in England in June 2023. This set out how many new doctors will be trained and entering the healthcare system in the coming years. It also outlined changes to the way doctors will be educated and trained and set out some new flexible ways of working which will be required in the coming years. The Academy has led the campaign for this important work for the last three years and has been at the forefront of a network of more than a hundred charities, think tanks and lobby groups in ensuring this document is published by NHSE.
- **Education and Training:** *Supporting Colleges in maintaining excellence in medical education and training to ensure the highest quality delivery of care.*
 - The creation of principles and guidance for all members on exam preparation, feedback, and support; nullification of exam attempts; and jointly hosting a workshop with the GMC on fairer training cultures.
 - Evaluating a new foundation programme curriculum proved very positive with a few areas highlighted for continued consideration.
 - Evaluation is also being undertaken of the new Medical Appraisal 2022 guide, and consideration of better ways of seeking patient feedback. Work is being undertaken to optimise assessment for all parties.
 - Contributions were made by the [SAS](#) and [trainee doctors](#) to the NHS@75 celebrations.
- **System improvement (i.e. Today's NHS)** – *Seeking to improve the operational efficiency and effectiveness of the NHS for the benefit of patients and staff.*

- Supporting NHS initiatives to help ease the post-Covid backlog. These specifically included continued work on the [Evidence-based Interventions programme](#) which is led by the Academy and is now in its fourth year. This initiative is designed to ensure the reduction of inappropriate tests, treatments and procedures where alternatives may be better and safer for the patient. The current focus is on urology, but there is a suite of more than 60 interventions now being used by clinicians to improve the quality of care and which have a direct benefit to patients and the public.
- The Academy also published a well-received report in September 2022 - [Fixing the NHS](#) which attracted widespread media attention because it outlined what problems the NHS is currently facing and what the solutions might be. It did not apportion blame directly, but it did set out a pathway towards recovery for the NHS.
- In the Winter of 22/23 a team from the Academy researched and wrote a report [Working Better Together](#) which gave more than fifty examples of how doctors and system leaders can remove the friction that occurs at the primary and secondary care interface. This has a direct benefit on patients and NHS staff freeing up valuable time and resources which can be more appropriately directed towards patient care. The work was highly regarded and was published by NHSE in May alongside its [Primary Care Recovery Plan](#).
- The Academy is also leading the work on assuring the quality of NHS pathways. This involves coordinating the work of many clinicians who are asked to look at the way NHS 111 operates for patients with particular conditions and assesses whether it offers safe and reliable guidance.
- The Academy's Patient and Lay Group is also working on an audit of the impacts of the cost-of-living crisis on patients and will make a series of recommendations about ways the NHS can lessen the financial burden on those seeking treatment.
- The Academy hosts high-level meetings with the Chief Medical Officer and the NHS Medical Director on a weekly basis to ensure they are informed by medical royal college presidents of what is actually happening at the coal-face in healthcare.
- **Rethinking Medicine and ensuring a sustainable future NHS (i.e. Tomorrow's NHS) – Seeking to help reshape the future delivery of health and care to provide person-centred equitable services in the future for the whole population.**
 - The Academy continues to support [Choosing Wisely](#) which operates in parallel to the EBI programme and is focussed on helping doctors and patients make better decisions about their care, by discussing the benefits, risks, alternatives as well as what will happen if they do nothing. The BRAN acronym is now firmly

embedded in a range of public and patient involvement programmes across the UK. The Academy is in active discussions with a number of organisations about how to progress this work and other initiatives designed to tackle over-medicalisation and attract additional funding.

- The Academy is continuing to host a genomics clinical associate programme which is funded to help ensure clinicians are involved in the design and implementation of a national genomics strategy.
- The Academy is leading the development of an education and workforce research hub which will provide opportunities for the NHS staff and wider multi-disciplinary teams to learn from and contribute to research and medical education innovation to the NHS community. The sharing of up-to-date research, case studies and innovation in medical research offers an opportunity for the NHS workforce to improve patient care.

Indicators, Milestones and Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

FINANCIAL REVIEW

Financial Results of Activities and Events

The financial results of the charity's activities for the period ended 31 March 2023 are set out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work. The Trustees carefully monitor performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12-month period, the charity generated total incoming resources of £1,122,969 (2022: £1,451,085) and expended total resources of £1,727,886 (2022: £1,577,268). In addition to its standing committees and associated work programmes, the Academy undertakes project work funded by national health bodies and fitting with the Academy's strategic aims. Some of these projects straddle more than one financial year and payment schedules vary. The deficit in the current year was planned, mainly due to the timing difference that arises when income received in advance is recognised in a previous year

but spent in the current year.

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. The Board is aware of the need to ensure that restricted funds are fully utilised. Details of individual funds can be found in note 14 of the financial statements.

Remuneration Policy

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

Reserves Policy and Going Concern

The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

Consideration was also given to the level of reserves that would be appropriate for each of these categories. The approach used to calculate the organisation's target level of reserves is in line with the risk-based methodology promoted by the Charity Commission. It is based on six months' running costs for the organisation in terms of staffing, administration and running costs together with costs of closure. As such the suggested required total would be £650,000.

The Board has designated a "Development Fund" to cover specific expenditure related to the Academy's development programme and reserves requirements. This includes funds to manage potential loss of project income from national bodies. Having this fund does mean that formally the organisation's reserves are above the recommended limit. The Board is aware of this and recognises the obligation, as a registered charity, to spend funds

in line with our charitable aims. Unrestricted designated funds have been used for a range of development activities this year. However, the Board is also mindful of the increasingly volatile investment and funding environment. This means ensuring a balance between financial prudence to preserve longer term viability and expenditure of accumulated funds in delivery of the charitable aims. The Trustees therefore consider it necessary to hold reserves sufficient to offset the potential for deficit budgets in the years ahead.

The Trustees considered that there were no material uncertainties about the Academy's ability to continue as a going concern. The Academy has been fortunate that it was not directly impacted in its operation or income by the pandemic. However, there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

This policy will be considered annually by the Board of Trustees when approving the annual accounts.

Investments Policy

The Trustees are empowered to invest any monies not immediately required in such investments, securities or property, as may be thought fit. The Board has reviewed its investment policy during the year to ensure an even spread of investment avoiding risk to the organisation's funds. The Board has adopted a policy of ethical investment.

Fundraising practice

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996 and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011 and have

been revised annually subsequently. The Articles of Association were reviewed and minor changes made in September 2022.

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council, a standing committee of the Board. The work of the Academy is centred on the Council which comprises the Presidents or equivalent Head Officers of all member Colleges and Faculties. The Council has established a series of sub-committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council supported by two council elected Officers, an Independent Clinician Trustee, and a RCGP representative. These four officers are all designated Vice Chairs. Officers direct work between Council meetings.

The Academy has a senior executive officer (the Chief Executive until 31st March 2023, the Executive Director thereafter) and employs other full and part time employees, who all work closely with the elected Officers.

Governance

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or equivalent head officers, form the bulk of the Academy Council¹. The Council has delegated responsibility for the development and implementation of Academy policy on healthcare issues and the healthcare profession.

The Board of Trustees is responsible for the governance of the organisation and comprises an appointed Chair of Trustees, three further lay trustees, three members of the Academy Council (one of whom may remain on the Board for a period of two years after they demit office as a Council member to provide clinical continuity. They are known as the Independent Clinician Trustee) and the Chair of Council. At least two of the lay trustees must not be medically qualified.

The Board has an Audit and Risk Committee comprising a minimum of three trustees and the Chair of Trustees who attends ex officio. The Audit and Risk Committee looks at specific financial and risk issues in detail on behalf of the Board.

¹ The Council also includes the Chair of Council, the Independent Clinician Trustee and the second Royal College of General Practitioners representative

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

Recruitment, Appointment and Election

The lay trustees are appointed through a process of public advertisement and appointment. The Regulations set out the composition of the panel required to appoint lay trustees. The Council trustees are elected by the members of the Council following a call for nominations. The Independent Clinician Trustee is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Chair of Council is a trustee by virtue of their role.

Induction and Training

Trustees receive copies of Charity Commission guidance for trustees together with the organisation's Articles and Regulations. The Academy also produces a handbook with information on each of its members, the Council's meeting dates and its subcommittees. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chair of Trustees and the senior executive officer. Trustees can attend meetings of the Council to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity by email.

There is an annual process of performance review for trustees on an individual and collective basis and on seeking re-appointment.

External training is also available for trustees on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

Risk and Corporate Governance Matters

A formal risk register is maintained, under the headings of strategic, operational, people/staff, reputational and financial and investment risks. Key risks identified during the year and the methods to reduce, manage or eliminate these risks are:

- **Failure to succession plan for the CEO's retirement.** A paper to consider succession planning, and the optimum configuration of the senior leadership team was considered at the March 2022 meeting of the Board of Trustees. A new structure was approved at the July 2022 meeting and appointments to the newly created posts

were made in Autumn 2022. The CEO retired on 31st March 2023, and the Board continues to monitor the implementation of the new senior leadership team structure to ensure that risks are minimised and benefits realised.

- **Failure to secure new long-term funding sources.** The Trustees are seeking to ensure continued external funding in the more difficult economic climate. This remains a key issue for the Board.
- **Failure to maintain good relations with the external sources (e.g. political).** The political instability and rapid turnover of ministers during the financial year covered by this report created challenges, however, this was mitigated by long-standing relationships with DHSC and NHSE. The newly created Director of Policy and Government Affairs post has renewed the Academy's focus on relationships with political stakeholders. Political stakeholder engagement is particularly important in the context of a potential change in government in 2024.
- **Failure to receive anticipated project income.** This risk arises from delays in the sign-off of contracts and payment of invoices by the Academy's funders. NHSE was merged with Health Education England, NHS Digital and NHSX in early part of this year and continues to implement a programme of significant headcount reductions. This has resulted in changes and delays to NHSE's procurement and finance processes. The risk of losing project income is not judged to be high, however, further delays are expected, and the Board continues to monitor the situation.
- **Failure of IT security.** This is mitigated through the creation and implementation of an IT security policy, regular meetings with the Academy's outsourced IT provider, employee cyber security training and obtaining Cyber Essentials certification. IT security is continually monitored and reviewed by the Board and employee training is ongoing.

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee has kept the content and format of the Risk Register under review and changes have been made to simplify the document.

The Board receives a report on the performance of the organisation at each meeting and also on financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis. This is compiled into a register of interests which is reviewed annually by the Board and published on the Academy's website.

Staffing and HR

There is a rolling programme to review all HR policies at least once every 3 years. The pay and reward structure was revised in April 2019 and remains in place (with annual salary

reviews).

In 2022, the Board agreed and implemented a new leadership structure for the organisation. It was recognised that with the growth of the Academy, it was no longer practical for the full span of duties to be covered by a single CEO role. Therefore, responsibility for external government affairs and policy development at the Academy is now the remit of a newly created post, the Director of Policy and Government Affairs. Internal operational issues, business management, and corporate governance are the responsibility of the newly created Executive Director post. The Executive Director has overall accountability. There was a period of overlap with the outgoing Chief Executive, prior to his retirement at the end of March 2023, to ease the transition.

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, Officers, and employees of the charity.

Trustees' and Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees as directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Audit and Risk Committee meets with the auditors to consider and discuss their findings.

The Trustees are responsible for keeping adequate accounting records that disclose with

reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

PLANS FOR FUTURE PERIODS

Future Strategy, Activities and their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board.

The Trustees are very aware of the decline in funding for projects from national bodies and of the need to generate further income. The last strategic review of the organisation's activities was conducted in 2021 and considered options for the development of future activity in conjunction with members. In essence, members were strongly supportive of the Academy's role in representing and advocating for members and were keen to see the organisation's focus remains on this. Widening membership of the Academy beyond medical organisations was not felt to be appropriate at the current time. Members recognised the need for the Academy to generate income through project activity, but this should not distract from the organisation's core representational role.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, are:

Professor Andrew Eder, Chair of Trustees (throughout the period covered by this report, commenced first term on 1st April 2022)

Mr Miller McLean, Lay Trustee and Chair of the Audit and Risk Committee (demitted November 2022)

Mrs Suzanne McCarthy, Lay Trustee (demitted December 2022)

Mrs Sarah Harkness, Lay Trustee and Chair of the Audit and Risk Committee (throughout the period covered by this report and Chair of the Audit and Risk Committee from December 2022)

David Stout, Lay Trustee (from 1st December 2022)

Graham Smith, Lay Trustee (from 1st December 2022)

Professor Dame Helen Stokes-Lampard, Chair of Council (demitted 7th July 2023)

Dr Jeanette Dickson, Chair of Council (from 7th July 2023)

Professor Bernie Chang, Council Trustee (demitted as a Council Trustee 25th May 2023, reappointed as Independent Clinician Trustee from 1st November 2023)

Dr Mike Osborn, Council Trustee (will demit on 30th November 2023)

Dr Anne de Bono, Independent Clinician Trustee (demitted on 31st October 2023)

The address of the charity and the registered office of the company is at:

10 Dallington Street, London EC1V 0DB.

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor: Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP

Auditor: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London EC1Y 0TL

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

Asset Manager: CCLA, One Angel Lane, London, EC4R 3AB

The following key senior members of staff have been responsible for the day-to-day management of the charity: Mr Alastair Henderson Chief Executive and Company Secretary (until his retirement on 31st March 2023) and Mrs Amy White, Chief Operating Officer (until July 2022, then Executive Director. Mrs White succeeded Mr Henderson as the senior executive officer at the Academy from 1st April 2023).

EXEMPTIONS FROM DISCLOSURE

No exemptions from disclosure apply.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are allocated for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

OTHER INFORMATION

This report has been produced to comply with statutory reporting requirements and follows the structure for a Trustees Report as laid out in SORP FRS 102. For further information on the work of the Academy during this period, please see [the Academy website](#).

APPROVAL

This report was approved by the Trustees on 15 November 2023, and was signed for and on behalf of the board by:

.....
Professor Andrew Eder, Chair of Trustees

Independent auditor's report to the members of the Academy of Medical Royal Colleges

Opinion

We have audited the financial statements of The Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 Academy of Medical Royal College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

-
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.

-
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
 - We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
 - In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

14 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Sharing & co-ordinating the work of the Colleges & Faculties	2	705,659	411,411	1,117,070	657,027	793,887	1,450,914
Investment income	3	5,899	-	5,899	171	-	171
Total income		711,558	411,411	1,122,969	657,198	793,887	1,451,085
Expenditure on:							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	4	860,235	867,651	1,727,886	611,801	965,467	1,577,268
Total expenditure		860,235	867,651	1,727,886	611,801	965,467	1,577,268
Net (expenditure) / income before net gains on investments		(148,677)	(456,240)	(604,917)	45,397	(171,580)	(126,183)
Net (loss) / gain on investments		(35,690)	-	(35,690)	157,129	-	157,129
Net (expenditure) / income for the year	5	(184,367)	(456,240)	(640,607)	202,526	(171,580)	30,946
Transfers between funds		-	-	-	1,145	(1,145)	-
Net movement in funds	14	(184,367)	(456,240)	(640,607)	203,671	(172,725)	30,946
Reconciliation of funds:							
Total funds brought forward		2,314,890	1,803,966	4,118,856	2,111,219	1,976,691	4,087,910
Total funds carried forward		2,130,523	1,347,726	3,478,249	2,314,890	1,803,966	4,118,856

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14.

The attached notes form part of these financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Balance sheet

As at 31 March 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	8		764,311		811,898
Investments	9		<u>1,784,162</u>		<u>1,819,852</u>
			2,548,473		2,631,750
Current assets:					
Debtors	10	55,624		296,844	
Cash at bank and in hand		<u>1,119,318</u>		<u>1,359,280</u>	
		1,174,942		1,656,124	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(245,166)</u>		<u>(169,018)</u>	
Net current assets			929,776		1,487,106
Total net assets			3,478,249		4,118,856
Funds	14				
Restricted funds			1,347,726		1,803,966
Unrestricted funds:					
Designated funds - building fund		764,311		811,898	
Designated funds - development fund		<u>312,557</u>		<u>361,071</u>	
General funds		<u>1,053,655</u>		<u>1,141,921</u>	
Total unrestricted funds			2,130,523		2,314,890
Total funds			3,478,249		4,118,856

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on 15 November 2023
and signed on their behalf by:

Professor Andrew Eder
Chair of Trustees

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of cash flows

For the year ended 31 March 2023

	Note	£	2023 £	£	2022 £
Net cash (used in) operating activities	a		(239,962)		(111,370)
Cash flows from investing activities:					
Purchase of fixed assets		-	(32,826)		
Cash used in investing activities			-		(32,826)
Change in cash and cash equivalents in the year			(239,962)		(144,196)
Cash and cash equivalents at the beginning of the year			1,359,280		1,503,476
Cash and cash equivalents at the end of the year	b		1,119,318		1,359,280
a) Reconciliation of net expenditure to net cash flow from operating activities					
			2023 £		2022 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)			(640,607)		30,946
Depreciation			47,587		37,812
Losses / (Gains) on investments			35,690		(157,129)
Decrease / (Increase) in debtors			241,220		(27,289)
Increase in creditors			76,148		4,290
Net cash (used in) operating activities			(239,962)		(111,370)
b) Analysis of cash and cash equivalents					
		At 1 April 2022 £	Cash flows £	Other changes £	At 31 March 2023 £
Cash at bank and in hand		1,359,280	(239,962)	-	1,119,318
Total cash and cash equivalents		1,359,280	(239,962)	-	1,119,318

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

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

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

2 Income from charitable activities

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Sharing and co-ordinating the work of the Colleges and Faculties:						
Subscriptions from members	469,125	-	469,125	447,859	-	447,859
Grants and other similar funding	<u>236,534</u>	<u>411,411</u>	<u>647,945</u>	<u>209,168</u>	<u>793,887</u>	<u>1,003,055</u>
Total income from charitable activities	<u>705,659</u>	<u>411,411</u>	<u>1,117,070</u>	<u>657,027</u>	<u>793,887</u>	<u>1,450,914</u>

3 Income from investments

	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£	£	£	£	£	£
Bank interest	<u>5,899</u>	<u>-</u>	<u>5,899</u>	<u>171</u>	<u>-</u>	<u>171</u>
	<u>5,899</u>	<u>-</u>	<u>5,899</u>	<u>171</u>	<u>-</u>	<u>171</u>

4 Analysis of expenditure

Current year

	Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities	Support costs	Governance costs	2023 Total	2022 Total
	£	£	£	£	£
Direct costs	432,096	-	-	432,096	530,451
Staff costs (See note 6)	528,385	517,975	-	1,046,360	814,552
Committees & forums expenses	-	31,392	161	31,553	16,156
Operating lease rentals	-	10,136	-	10,136	10,079
Premises costs	-	26,352	-	26,352	30,623
Admin costs	-	34,718	-	34,718	33,717
Insurance	-	10,380	-	10,380	9,342
Communication costs	-	30,651	-	30,651	28,839
Audit fees	-	-	10,826	10,826	9,660
Accountancy services	-	41,500	-	41,500	42,157
Legal and professional fees	-	4,323	-	4,323	12,772
Bank and credit card charges	-	1,404	-	1,404	1,108
Depreciation - owned assets	-	47,587	-	47,587	37,812
	<u>960,481</u>	<u>756,418</u>	<u>10,987</u>	<u>1,727,886</u>	<u>1,577,268</u>
Support costs	756,418	(756,418)	-	-	-
Governance costs	10,987	-	(10,987)	-	-
Total expenditure 2023	<u>1,727,886</u>	<u>-</u>	<u>-</u>	<u>1,727,886</u>	<u>1,577,268</u>

Of the total expenditure £864,155 (2022: £611,801) was unrestricted and £867,651 (2022: £965,467) was restricted.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

4 Analysis of expenditure - continued Prior year

Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities £	Support costs £	Governance costs £	2022 Total £
Direct costs	530,451	-	-	530,451
Staff costs (See note 6)	303,896	510,656	-	814,552
Committees & forums expenses	-	15,522	634	16,156
Operating lease rentals	-	10,079	-	10,079
Premises costs	-	30,623	-	30,623
Admin costs	-	33,717	-	33,717
Insurance	-	9,342	-	9,342
Communication costs	-	28,839	-	28,839
Audit fees	-	-	9,660	9,660
Accountancy services	-	42,157	-	42,157
Legal and professional fees	-	12,772	-	12,772
Bank and credit card charges	-	1,108	-	1,108
Depreciation - owned assets	-	37,812	-	37,812
	834,347	732,627	10,294	1,577,268
Support costs	732,627	(732,627)	-	-
Governance costs	10,294	-	(10,294)	-
Total expenditure 2022	<u>1,577,268</u>	<u>-</u>	<u>-</u>	<u>1,577,268</u>

5 Net expenditure for the year

	2023 £	2022 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	10,136	10,079
Depreciation	47,587	37,812
Auditor's remuneration:		
Audit fee (excl. VAT)	9,000	8,200
Trustees' expenses	161	634

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	852,793	674,015
Social security costs	97,377	72,068
Employer's contribution to defined contribution pension schemes	74,284	63,071
Luncheon vouchers	11,450	3,960
Temporary and other staff costs	10,456	1,438
	<u>1,046,360</u>	<u>814,552</u>

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2023	2022
	No.	No.
£60,000 - £69,999	-	1
£70,000 - £79,999	2	-
£80,000 - £89,999	1	1
£110,000 - £120,000	<u>1</u>	<u>1</u>

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £144,943 (2022: £138,960).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £10,380 (2022: £9,342).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil). Three trustees were reimbursed travel & accommodation expenses during the year for £161 (2022: £634).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023	2022
	No.	No.
Office and administration	2	2
Charitable activities	<u>14</u>	<u>12</u>
	<u>16</u>	<u>14</u>

7 Taxation

The Academy is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	985,650	49,162	234,870	1,269,682
At the end of the year	985,650	49,162	234,870	1,269,682
Depreciation				
At the start of the year	223,348	49,053	185,383	457,784
Charge for the year	19,656	96	27,835	47,587
At the end of the year	243,004	49,149	213,218	505,371
Net book value				
At the end of the year	742,646	13	21,652	764,311
At the start of the year	762,302	109	49,487	811,898

All of the above assets are used for charitable purposes.

In 2019 the owners of the building at 10 Dallington Street indicated their desire to sell the freehold. In accordance with legislative requirements existing tenants were offered the opportunity of purchasing the freehold. The majority of residential and commercial tenants expressed a desire to do so and formed a company "10 Dallington Street Ltd" which purchased the freehold. The Academy is a member of "10 Dallington Street Ltd". The company has subsequently granted new 999 year leases to tenants including the Academy.

9 Investments	2023	2022
	£	£
Fair value at the start of the year	1,819,852	1,662,723
Net loss on revaluation	(35,690)	157,129
Fair value at the end of the year	1,784,162	1,819,852
Historic cost at the end of the year	1,000,000	1,000,000

10 Debtors	2023	2022
	£	£
Trade debtors	32,527	280,603
Other debtors	23,097	6,241
Accrued income	-	10,000
	55,624	296,844

11 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	47,198	78,005
Taxation and social security including pension	35,218	30,081
Other creditors	9,378	5,004
Accruals	67,222	55,928
Deferred Income	86,150	-
	245,166	169,018

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

12 Deferred income	2023	2022
	£	£
Balance at the beginning of the year	-	-
Amount released to income in the year	-	-
Amount deferred in the year	86,150	-
Balance at the end of the year	86,150	-

Deferred income comprises funds received in advance of activities and events in the 2023/24 financial year.

13 Analysis of net assets between funds

Current year

	General unrestricted	Designated	Restricted	Total funds
	2023	2023	2023	2023
	£	£	£	£
Tangible fixed assets	-	764,311	-	764,311
Investments	1,471,605	312,557	-	1,784,162
Net current assets	(417,950)	-	1,347,726	929,776
Net assets at the end of the year	1,053,655	1,076,868	1,347,726	3,478,249

	General unrestricted	Designated	Restricted	Total funds
	2022	2022	2022	2022
	£	£	£	£
Tangible fixed assets	-	811,898	-	811,898
Investments	1,458,781	361,071	-	1,819,852
Net current assets	(316,860)	-	1,803,966	1,487,106
Net assets at the end of the year	1,141,921	1,172,969	1,803,966	4,118,856

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

14 Movements in funds

Current year	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
e-Lfh Fund	56,559	-	24,922	-	31,637
Education and Training Projects	365,281	20,000	140,773	-	244,508
HEE	635,373	-	24,861	-	610,512
COPMed and COGPed	104,913	154,587	201,327	-	58,173
Medical Training Initiative(MTI)	178,277	132,635	178,451	-	132,461
Patient Safety	324,950	-	180,696	-	144,254
Wales Academy	8,116	-	3,000	-	5,116
Genomics	127,629	71,199	101,211	-	97,617
Changing Face of Medicine	726	23,000	8,518	-	15,208
Health Inequalities	-	9,990	1,750	-	8,240
Total restricted funds	1,803,966	411,411	867,651	-	1,347,726
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	811,898	-	47,587	-	764,311
Designated Development Fund	361,071	-	48,514	-	312,557
Total designated funds	1,172,969	-	96,101	-	1,076,868
General funds	1,141,921	711,558	799,824	-	1,053,655
Total unrestricted funds	2,314,890	711,558	895,925	-	2,130,523
Total funds	4,118,856	1,122,969	1,763,576	-	3,478,249

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

14 Movements in funds (continued)

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	124,931	-	68,372	-	56,559
Education and Training Projects	475,223	36,000	145,942	-	365,281
HEE	645,373	-	10,000	-	635,373
COPMed and COGPed	128,981	138,204	161,127	(1,145)	104,913
Medical Training Initiative	185,351	132,635	139,709	-	178,277
Matched Funds	43,703	-	43,703	-	-
Patient Safety	302,633	360,394	338,077	-	324,950
Choosing Wisely/ Decisions of Value	12,141	-	9,999	-	2,142
Wales Academy	12,116	-	4,000	-	8,116
Genomics	30,248	115,145	17,764	-	127,629
NHS Digital (AI) Artificial Intelligence	6,257	1,509	7,766	-	-
Changing Face of Medicine	9,734	10,000	19,008	-	726
Health and Work Funding	-	-	-	-	-
Total restricted funds	<u>1,976,691</u>	<u>793,887</u>	<u>965,467</u>	<u>(1,145)</u>	<u>1,803,966</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	816,884	-	37,812	32,826	811,898
Designated Development Fund	389,032	-	-	(27,961)	361,071
Total designated funds	<u>1,205,916</u>	<u>-</u>	<u>37,812</u>	<u>4,865</u>	<u>1,172,969</u>
General funds	905,303	814,327	573,989	(3,720)	1,141,921
Total unrestricted funds	<u>2,111,219</u>	<u>814,327</u>	<u>611,801</u>	<u>1,145</u>	<u>2,314,890</u>
Total funds	<u>4,087,910</u>	<u>1,608,214</u>	<u>1,577,268</u>	<u>-</u>	<u>4,118,856</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

E-Lfh (e-learning for health) Fund. This is from HEE enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh. These include the Foundation e-Learning programme, leadership and mental health programmes

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project not progressing as originally intended and used for to draw down CEO secondment costs.

HEE. Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and education workforce research.

COPMED/COGPED. Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the CPMED/COGPED secretariat which support and manages their budget. £1,145 transfer relates to fixed assets purchased in 2021-22 for COPMED and COGPED.

Medical Training Initiative (MTI). The Academy is commissioned by NHS England to be the national sponsor of the MTI scheme which provides two-year training opportunities for overseas doctors in the NHS. Funding, supports the management of the scheme including MTI staff salaries.

Matched Funds. Funding was from the Department of Health / NHS England to support a range of projects undertaken by Colleges on the condition they matched the funding awarded.

Patient Safety. A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. HEE funded.

Choosing Wisely / Rethinking Medicine. Projects related to the respective roles of clinicians and patients in selecting appropriate medical interventions.

Wales Academy. Including income from Wales's members. The fund covers the costs of administration and management of the Academy in Wales. The Wales Academy is delivered as a sub-committee of the UK Academy's Council.

Genomics. NHS England funded work to promote understanding and spread of genomics.

NHS Digital (AI) Artificial Intelligence. NHS Digital funded project to look at ethics of AI from a clinical perspective.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2023

14 Movements in funds (continued)

Changing Face of Medicine. Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources. Work carried out by a contracted consultant.

Health and Work Funding – Funding received from Public Health England, for Academy to carry out Health And Work Conference funding.

Health Inequalities. A review of existing educational resources concerning health inequalities. Health inequalities are defined as the unfair and avoidable differences in health across the population, and between different groups within society.

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Development Fund. This fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources and provide continued funding for the running of the Academy for a period of six months, in accordance with Charity Commission policy.

15 Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Amounts payable		
Equipment:		
Less than 1 year	-	10,079
	<u>-</u>	<u>10,079</u>
	2023	2022
	£	£
Rent receivable:		
Less than 1 year	60,000	-
	<u>60,000</u>	<u>-</u>

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18 Related party transactions

There are no related party transactions to disclose for 2023 (2022: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.

Accounts



The Academy of Medical Royal Colleges Annual Trustees' report

For the year 1 April 2021 to 31 March 2022

Company Number: 03166361

Charity Number: 1056565

The Board of Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy") for the twelve-month period from 1 April 2021 to 31 March 2022.

Trustees' report and financial statements

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, were:

Mr Charles Winstanley, Chair and Independent Trustee (throughout the period covered by this report, demitted 31 March 2022)

Professor Alan Boyd, Independent Clinician Trustee (demitted November 2021)

Professor Bernie Chang, Council member (from October 2021)

Dr Anne de Bono, Council member (demitted June 2021). Independent Clinician Trustee (from November 2021)

Mrs Sarah Harkness, Independent Trustee (throughout the period covered by this report)

Professor Ravi Mahajan, Council member (demitted September 2021)

Mrs Suzanne McCarthy, Independent Trustee (throughout the period covered by this report)

Mr Miller McLean, Independent Trustee and Chair of the Audit and Risk Committee (throughout the period covered by this report)

Dr Mike Osborn (from July 2021)

Professor Dame Helen Stokes-Lampard, Chair of Council (throughout the period covered by this report)

Charles Winstanley demitted office after serving for the maximum two terms in March 2022 therefore, the Board recruited a new Chair of Trustees in early 2022. The Board appointed Professor Andrew Eder who took office on 1 April 2022.

The address of the charity and the registered office of the company is at:

10 Dallington Street, London EC1V 0DB.

Trustees' report and financial statements

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor: Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP

Auditor: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London EC1Y 0TL

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

The following key senior members of staff are responsible for the day-to-day management of the charity: Mr Alastair Henderson Chief Executive and Company Secretary and Ms Amy White, Chief Operating Officer.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Charitable Activities

In pursuance of its charitable objectives, the Academy's principal activity is sharing and coordinating the work of the Colleges and Faculties.

The Academy undertakes project work in areas which cross College/Faculty boundaries. In particular, the Academy is co-ordinating College and Faculty activity on issues relating to education and training, quality improvement and workforce.

Trustees' report and financial statements

The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.

The Academy regularly meets Ministers and senior staff from the UK Department of Health and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to appropriate consultation documents on generic issues.

Benefits and Beneficiaries

In accordance with its charitable objectives, the Academy promotes the protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties. In doing so, it seeks to improve the quality of medical care for the benefit of patients. The charity's ultimate beneficiaries are therefore patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' annual report

The Trustees are of the view that the pursuit of the Academy's objects provides public benefit, and they believe the work of the Academy delivers public benefit as follows:

- Through attempting to ensure that all the work of the Academy starts from a patient-centred approach
- Through the delivery of projects which have potential benefit to patients
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy Council and the involvement of lay members in all the major work streams run by the Academy such as revalidation, education and quality improvement.
- Through the support of cross-College activity which has an express aim of providing public benefit

OBJECTIVES AND STRATEGIC AIMS

The Academy reviews its objectives and policy priorities on an annual basis. The objectives in 2021-22 were:

Our over-arching ambition

Trustees' report and financial statements

To be clearly recognised by all key stakeholders as the leading voice of the medical profession across the UK on cross-specialty matters relating to education, training, and improving healthcare for patients.

This means:

- Coordinating the views of the Medical Royal Colleges on cross-speciality issues
- Representing those views to either the key external stakeholders or to Medical Royal Colleges to support their own work
- Ensuring that the Academy's views and priorities are informed by patient perspectives.

Our strategic objectives

a) To provide the highest level of advice and influence on medical education, training, and the improvement of healthcare for the benefit of patients.

We will do this by:

- Ensuring that the Academy is recognised as the voice of doctors - not for doctors' own interests, but in support of the highest standards of patient care
- Taking a leading role in the early identification of issues of concern to patients and the profession
- Supporting the doctors' role as leaders in developing, managing and delivering services.

b) Be of value and relevant to the needs of our internal and external stakeholders

We will do this by:

- Taking a UK wide perspective on policy issues in general and in response to specific issues
- Actively promoting collaborative working between Colleges and Faculties
- Actively engaging with Governments and other appropriate external organisations
- Working with representatives of other clinical professions, as appropriate
- Ensuring we do more of what adds value and cutting what doesn't.

c) Ensure good governance and financial stability

We will do this by:

Trustees' report and financial statements

- Actively seeking alternative and additional sources of income, provided they are in line with the organisation's values and objectives
- Continuing to ensure that the Academy's expenditure remains in line with the income it generates
- Regularly reviewing governance and organisational arrangements to ensure they reflect best practice and can meet challenges as they emerge.

Activity and Performance

The Academy's agreed activities are to:

- Promote collectively agreed health policy priorities
- Work collaboratively with members on cross-cutting education and training issues
- Liaise with external bodies on education, training, and standards
- Respond to consultations
- Provide or facilitate agreed services to member organisations
- Coordinate, but not control, communications activities.

COVID-19 and the pandemic continued to dominate our activity during 2021-22. The Academy and Colleges worked closely with Government and NHS England throughout the year providing advice and support. The focus on COVID impacted on timescales for delivery of various projects but did not stop other activity altogether.

The current policy priorities for the Academy were set by the Council at their annual Policy Day in September 2021. These are:

- **Workforce** – *Seeking to ensure we have the appropriate workforce, in the right numbers, properly supported and valued.*

Activity included: Support of enhancing junior doctors working lives initiative, a range of initiatives to support SAS doctors, cross College activity on workforce supply, initiatives with NHS on retention of doctors including the impact of pension arrangements, running the MTI scheme.

- **Education and Training** – *Supporting Colleges in maintaining excellence in medical education and training to ensure the highest quality delivery of care.*

Activity included: Working with Statutory Education Bodies and Colleges to maintain and support training through the pandemic including changes to assessment processes; maintaining the Academy education committees, revision of appraisal processes, work on patient safety and flexibility.

- **System improvement (i.e. Today's NHS)** – *Seeking to improve the operational*

Trustees' report and financial statements

efficiency and effectiveness of the NHS for the benefit of patients and staff.

Activity included: Continuing work with NHSEI and Colleges on providing advice to support the NHS through the pandemic and ensuring the maintenance and restoration of services as far as possible; working with partner organisations to persuade Government to reform social care; ensuring Academy input to development and promotion of digital agenda; leading the Evidence Based Interventions Programme on behalf of NHSEI.

- **Rethinking Medicine and ensuring a sustainable future NHS (i.e. Tomorrow's NHS) –**
Seeking to help reshape the future delivery of health and care to provide person-centred equitable services in the future for the whole population.

Activity included Rethinking Medicine initiative, Greening the NHS; Genomics; pushing for national action for long term reduction in health inequalities; seeking assurance of health information on social media platforms.

Full details of the Academy's activities during the period are set out on the Academy website in its [review of 2021-22](#).

Indicators, Milestones and Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council. The Chief Executive reports to the Council on the delivery of the work programme.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996 and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011 and have been revised on several occasions subsequently.

Trustees' report and financial statements

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council. The work of the Academy is centred on the Council which comprises the Presidents of all member Colleges and Faculties. The Council has established a series of Committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council, two vice chairs, and an Independent Clinician Trustee and RCGP representative which directs work between Council meetings.

The Academy has a Chief Executive and employs other full and part time members of staff, who all work closely with the elected Officers.

The Academy purchased leasehold premises at 10 Dallington Street, London EC1 in 2010 which provides office accommodation for staff and meeting space for Academy Council and Committee meetings. In 2019 the Academy joined other tenants in the building to form a limited company, "10 Dallington Street Ltd" which purchased the freehold of the building. The company subsequently granted new 999-year leases to tenants including the Academy.

Governance

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or senior officers, form the Academy Council. The Council has delegated responsibility for the development and implementation of Academy policy on healthcare issues.

The Board of Trustees is responsible for the governance of the organisation and comprises an independently appointed Chair of Trustees, three further independent Trustees, three members of the Academy Council (one of whom may remain on the Board for a period of two years after they demit office as a Council member to provide clinical continuity) and the Chair of Council. At least two of the independent Trustees must not be medically qualified.

The Board has an Audit and Risk Committee comprising four trustees and the Chair of Trustees who attends ex officio. The Audit and Risk Committee looks at specific financial and risk issues in detail on behalf of the Board and also an Investment Sub Committee which oversees the organisation's financial investments.

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

Trustees' report and financial statements

Recruitment, Appointment and Election

The Independent Trustees are appointed through a process of public advertisement and appointment. The Regulations set out the composition of the panel required to appoint Independent Trustees. The Council Trustees are elected by the corporate members of the Council following a call for nominations. The Independent Clinician Trustee is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Chair of Council is a trustee by virtue of their role.

Induction and Training

Trustees receive copies of Charity Commission guidance for trustees together with the organisation's Articles and Regulations. The Academy also produces a handbook with information on each of its members, the Council's meeting dates and its subcommittees. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chair of Trustees and the Chief Executive. Trustees can attend meetings of the Council to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity.

There is an annual process of performance review and colleague feedback for trustees on an individual and collective basis and on seeking re-appointment.

External training is also available for trustees on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

Risk and Corporate Governance Matters

A formal risk register has been developed, under the headings of strategic, operational, people/staff, reputational and financial including investments.

Key risks identified during the year and the methods to reduce, manage or eliminate these risks were:

- Managing activity through the COVID pandemic. The Academy continued to be fortunate in that the pandemic has not directly impacted on its operation or immediate funding and there is no activity we have not been able to carry out. Through most of the financial year, staff were working from home. All meetings were held remotely although a phased return to work began later in the year. The

Trustees' report and financial statements

organisation and individual response to these changes was very positive.

- Ensuring financial balance. We are seeking to ensure continued external funding in the more difficult economic climate. This remains a key issue for the Board
- Maintaining effective relationships with members and with Government. This is managed by collecting regular feedback and monitoring the relationships.
- Supporting and retaining staff during the pandemic. This was managed through maintaining close contacts and support initiatives.

Trustees' report and financial statements

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee has kept the content and format of the Risk Register under review and changes have been made to simplify the register.

The Board receives a report on performance developments of the organisation at each meeting and also on future financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis. This is compiled into a register of interests which is reviewed annually by the Board and published on the Academy's website.

Staffing and HR

There is a rolling programme to review all HR policies at least once every 3 years. The pay and reward and organisational structure, which incorporates annual salary reviews, was revised in April 2019 and remains in place.

In early 2022, the Chief Executive announced his intention to retire in March 2023. Since then, the Board has agreed a new leadership structure for the organisation. It was recognised that with the growth in scope of work of the Academy, it was no longer practical for the full span of duties to be covered by a single CEO role. Therefore, responsibility for external government affairs/policy development and internal operational issues will be split with an Executive Director being overall accountable. A new post of Director of Policy and Government Affairs is being created. There will not be a chief executive. The plan is to have a period of overlap with the Chief Executive to ease transition.

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, Officers, and staff of the charity.

Trustees' and Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of

Trustees' report and financial statements

resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Audit and Risk Committee met with the auditors to consider and discuss their findings.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

FINANCIAL REVIEW

Financial Results of Activities and Events

The financial results of the charity's activities for the period ended 31 March 2022 are set

Trustees' report and financial statements

out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work and, in the current climate of expanding levels of activity, the Trustees are carefully monitoring performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12-month period, the charity generated total incoming resources of £1,451,085 (2021: £2,181,576) and expended total resources of £1,577,268 (2021: £1,340,403). In addition to its standing committees and associated work programmes, the Academy undertakes project work funded by national health bodies and fitting with the Academy's strategic aims. The year-on-year fluctuations in income and expenditure are a result of this project work.

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. The Board is aware of the need to ensure that restricted funds are fully utilised. Details of individual funds can be found in note 14 of the financial statements.

Remuneration Policy

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

Reserves Policy and Going Concern

The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

Consideration was also given to the level of reserves that would be appropriate for each of

Trustees' report and financial statements

these categories. The approach used to calculate the organisation's target level of reserves is in line with the risk-based methodology promoted by the Charity Commission. It is based on six months' running costs for the organisation in terms of staffing, administration and running costs. As such the suggested required total would be a minimum of £500,000.

The Board has designated a "Development Fund" to cover specific expenditure related to the Academy's development programme and reserves requirements. This includes funds to manage potential loss of project income from national bodies. Having this fund does mean that formally the organisation's reserves are above the recommended limit. The Board is aware of this and recognises the obligation, as a registered charity, to spend funds in line with our charitable aims. Unrestricted designated funds have been used for a range of development activities this year. However, the Board is also mindful of the increasingly volatile investment and funding environment. This means ensuring a balance between financial prudence to preserve longer term viability and expenditure of accumulated funds in delivery of the charitable aims. The Trustees therefore consider it necessary to hold reserves sufficient to offset the potential for deficit budgets in the years ahead.

The Trustees considered that there were no material uncertainties about the Academy's ability to continue as a going concern. The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However, there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

This policy will be considered annually by the Board of Trustees when approving the annual accounts. It will be reviewed fully every three years.

Investments Policy

The Trustees are empowered to invest any monies not immediately required in or upon such investments, securities or property, as may be thought fit. The Board has reviewed its investment policy during the year to ensure an even spread of investment avoiding risk to the organisation's funds. The Board has adopted a policy of ethical investment.

Fundraising practice

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

PLANS FOR FUTURE PERIODS

Trustees’ report and financial statements

Future Strategy, Activities and their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board. This results in the development of an annual business plan agreed by the Board.

The Trustees are very aware of the possible decline in funding for projects from national bodies and of the need to generate further income. The Board oversaw a strategic review of the organisation’s activities in 2021 which considered options for the development of future activity in conjunction with members. In essence, members were strongly supportive of the Academy’s role in representing and advocating for members and were keen to see the organisation’s focus remains on this. Widening membership of the Academy beyond medical organisations was not felt to be appropriate at the current time. Members recognised the need for the Academy to generate income through project activity, but this should not distract from the organisation’s core representational role.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the Trustees on 20th September 2022, and was signed for and on behalf of the board by:

..... Chair of Trustees

Professor Andrew Eder

20 September 2022



Independent auditor's report to the members of the Academy of Medical Royal Colleges

Opinion

We have audited the financial statements of Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 Academy of Medical Royal College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the

following matters in relation to which the Companies Act 2006 requires 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

Date: 26 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Statement of financial activities**

(incorporating an income and expenditure account)

For the year ended 31 March 2022

		Unrestricted	Restricted	2022	Unrestricted	Restricted	2021
	Note	£	£	Total	£	£	Total
				£			£
Income from:							
Sharing & co-ordinating the work of the Colleges & Faculties	2	657,027	793,887	1,450,914	474,837	1,706,190	2,181,027
Investment income	3	171	-	171	549	-	549
Total income		657,198	793,887	1,451,085	475,386	1,706,190	2,181,576
Expenditure on:							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	4	611,801	965,467	1,577,268	439,568	900,835	1,340,403
Total expenditure		611,801	965,467	1,577,268	439,568	900,835	1,340,403
Net income / (expenditure) before net gains on investments		45,397	(171,580)	(126,183)	35,818	805,355	841,173
Net gains on investments		157,129	-	157,129	201,809	-	201,809
Net income / (expenditure) for the year	5	202,526	(171,580)	30,946	237,627	805,355	1,042,982
Transfers between funds		1,145	(1,145)	-	-	-	-
Net movement in funds	14	203,671	(172,725)	30,946	237,627	805,355	1,042,982
Reconciliation of funds:							
Total funds brought forward		2,111,219	1,976,691	4,087,910	1,873,592	1,171,336	3,044,928
Total funds carried forward		2,314,890	1,803,966	4,118,856	2,111,219	1,976,691	4,087,910

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14.

The attached notes form part of these financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Balance sheet****As at 31 March 2022**

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	8		811,898		816,884
Investments	9		<u>1,819,852</u>		<u>1,662,723</u>
			2,631,750		2,479,607
Current assets:					
Debtors	10	296,844		269,555	
Cash at bank and in hand		<u>1,359,280</u>		<u>1,503,476</u>	
		1,656,124		1,773,031	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(169,018)</u>		<u>(164,728)</u>	
Net current assets			<u>1,487,106</u>		<u>1,608,303</u>
Total net assets			<u>4,118,856</u>		<u>4,087,910</u>
Funds	14				
Restricted funds			1,803,966		1,976,691
Unrestricted funds:					
Designated funds - building fund		811,898		816,884	
Designated funds - development fund		361,071		389,032	
General funds		<u>1,141,921</u>		<u>905,303</u>	
Total unrestricted funds			<u>2,314,890</u>		<u>2,111,219</u>
Total funds			<u>4,118,856</u>		<u>4,087,910</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on **20th September 2022**
and signed on their behalf by:

Professor Andrew Eder
Chair of Trustees

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Statement of cash flows****For the year ended 31 March 2022**

	Note	£	2022 £	£	2021 £
Net cash (used in) / provided by operating activities	a		(111,370)		168,583
Cash flows from investing activities:					
Purchase of fixed assets		(32,826)		(2,100)	
Cash used in investing activities			(32,826)		(2,100)
Change in cash and cash equivalents in the year			(144,196)		166,483
Cash and cash equivalents at the beginning of the year			1,503,476		1,336,993
Cash and cash equivalents at the end of the year	b		1,359,280		1,503,476
a) Reconciliation of net expenditure to net cash flow from operating activities					
			2022		2021
			£		£
Net income for the reporting period			30,946		1,042,982
(as per the statement of financial activities)					
Depreciation			37,812		39,269
Gains on investments			(157,129)		(201,809)
(Increase) / Decrease in debtors			(27,289)		77,230
Increase / (Decrease) in creditors			4,290		(789,089)
Net cash (used in) / provided by operating activities			(111,370)		168,583
b) Analysis of cash and cash equivalents					
		At 1 April	Cash	Other	At 31
		2021	flows	changes	March
		£	£	£	2022
					£
Cash at bank and in hand		1,503,476	(144,196)	-	1,359,280
Total cash and cash equivalents		1,503,476	(144,196)	-	1,359,280

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Going concern

The Trustees considered that there are no material uncertainties about the Academy's ability to continue as a going concern. The Board, however, has been very aware of potential threats and risks most particularly in relation to the COVID-19 pandemic. The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

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

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

2 Income from charitable activities

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Sharing and co-ordinating the work of the Colleges and Faculties:						
Subscriptions from members	447,859	-	447,859	437,232	-	437,232
Grants and other similar funding	<u>209,168</u>	<u>793,887</u>	<u>1,003,055</u>	<u>37,605</u>	<u>1,706,190</u>	<u>1,743,795</u>
Total income from charitable activities	<u>657,027</u>	<u>793,887</u>	<u>1,450,914</u>	<u>474,837</u>	<u>1,706,190</u>	<u>2,181,027</u>

3 Income from investments

	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£	£	£	£	£	£
Bank interest	<u>171</u>	<u>-</u>	<u>171</u>	<u>549</u>	<u>-</u>	<u>549</u>
	<u>171</u>	<u>-</u>	<u>171</u>	<u>549</u>	<u>-</u>	<u>549</u>

4 Analysis of expenditure

Current year

	Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities	Support costs	Governance costs	2022 Total	2021 Total
	£	£	£	£	£
Direct costs	530,451	-	-	530,451	455,013
Staff costs (See note 6)	303,896	510,656	-	814,552	691,054
Committees & forums expenses	-	15,522	634	16,156	289
Operating lease rentals	-	10,079	-	10,079	10,436
Premises costs	-	30,623	-	30,623	29,208
Admin costs	-	33,717	-	33,717	19,320
Insurance	-	9,342	-	9,342	8,722
Communication costs	-	28,839	-	28,839	22,231
Audit fees	-	-	9,660	9,660	9,300
Accountancy services	-	42,157	-	42,157	38,672
Legal and professional fees	-	12,772	-	12,772	15,831
Bank and credit card charges	-	1,108	-	1,108	1,058
Depreciation - owned assets	-	37,812	-	37,812	39,269
	<u>834,347</u>	<u>732,627</u>	<u>10,294</u>	<u>1,577,268</u>	<u>1,340,403</u>
Support costs	732,627	(732,627)	-	-	-
Governance costs	10,294	-	(10,294)	-	-
Total expenditure 2022	<u>1,577,268</u>	<u>-</u>	<u>-</u>	<u>1,577,268</u>	<u>1,340,403</u>

Of the total expenditure £611,801 (2021: £439,568) was unrestricted and £965,467 (2021: £900,835) was restricted.

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022****4 Analysis of expenditure - continued**
Prior year

	Sharing and co-ordinating the work of the Colleges and Faculties			2021 Total £
	Charitable activities £	Support costs £	Governance costs £	
Direct costs	455,013	-	-	455,013
Staff costs (See note 6)	277,212	380,735	33,107	691,054
Committees & forums expenses	-	289	-	289
Operating lease rentals	-	10,436	-	10,436
Premises costs	-	29,208	-	29,208
Other printing, postage, stationery, admin costs	-	19,320	-	19,320
Insurance	-	8,722	-	8,722
Communication costs	-	22,231	-	22,231
Audit fees	-	-	9,300	9,300
Accountancy services	-	38,672	-	38,672
Legal and professional fees	-	15,831	-	15,831
Bank and credit card charges	-	1,058	-	1,058
Depreciation - owned assets	-	39,269	-	39,269
	732,225	565,771	42,407	1,340,403
Support costs	565,771	(565,771)	-	-
Governance costs	42,407	-	(42,407)	-
Total expenditure 2021	<u>1,340,403</u>	<u>-</u>	<u>-</u>	<u>1,340,403</u>

5 Net income for the year

	2022 £	2021 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	10,079	10,436
Depreciation	37,812	39,269
Auditor's remuneration:		
Audit fee (excl. VAT)	8,200	7,600
Trustees' expenses	<u>634</u>	<u>-</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	674,015	569,062
Social security costs	72,068	61,000
Employer's contribution to defined contribution pension schemes	63,071	55,167
Luncheon vouchers	3,960	3,948
Temporary and other staff costs	1,438	1,877
	<u>814,552</u>	<u>691,054</u>

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2022	2021
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
£110,000 - £120,000	<u>1</u>	<u>1</u>

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £138,960 (2021: £137,649).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £9,342 (2021: £8,722).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). Three trustees were reimbursed travel & accommodation expenses during the year for £634 (2021: £nil).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022	2021
	No.	No.
Office and administration	2	2
Charitable activities	<u>12</u>	<u>12</u>
	<u>14</u>	<u>14</u>

7 Taxation

The Academy is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022**

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	985,650	49,162	202,044	1,236,856
Additions in year	-	-	32,826	32,826
At the end of the year	<u>985,650</u>	<u>49,162</u>	<u>234,870</u>	<u>1,269,682</u>
Depreciation				
At the start of the year	203,692	48,957	167,323	419,972
Charge for the year	19,656	96	18,060	37,812
At the end of the year	<u>223,348</u>	<u>49,053</u>	<u>185,383</u>	<u>457,784</u>
Net book value				
At the end of the year	<u>762,302</u>	<u>109</u>	<u>49,487</u>	<u>811,898</u>
At the start of the year	<u>781,958</u>	<u>205</u>	<u>34,721</u>	<u>816,884</u>

All of the above assets are used for charitable purposes.

In 2019 the owners of the building at 10 Dallington Street indicated their desire to sell the freehold. In accordance with legislative requirements existing tenants were offered the opportunity of purchasing the freehold. The majority of residential and commercial tenants expressed a desire to do so and formed a company "10 Dallington Street Ltd" which purchased the freehold. The Academy is a member of "10 Dallington Street Ltd". The company has subsequently granted new 999 year leases to tenants including the Academy.

The Academy follows the historic cost model of reporting property asset value in the annual accounts. The property was purchased in 2011.

9 Investments	2022	2021
	£	£
Fair value at the start of the year	1,662,723	1,460,914
Net gains on revaluation	157,129	201,809
Fair value at the end of the year	<u>1,819,852</u>	<u>1,662,723</u>
Historic cost at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>

10 Debtors	2022	2021
	£	£
Trade debtors	280,603	223,849
Other debtors	6,241	7,991
Accrued income	10,000	37,715
	<u>296,844</u>	<u>269,555</u>

11 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	78,005	31,846
Taxation and social security including pension	30,081	20,334
Other creditors	5,004	3,723
Accruals	55,928	108,825
	<u>169,018</u>	<u>164,728</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022**

12 Deferred income	2022	2021
	£	£
Balance at the beginning of the year	-	807,720
Amount released to income in the year	-	(807,720)
Balance at the end of the year	<u>-</u>	<u>-</u>

Deferred income comprises funds received in advance of activities and events in the 2020/21 financial year.

13 Analysis of net assets between funds**Current year**

	General unrestricted	Designated	Restricted	Total funds
	2022	2022	2022	2022
	£	£	£	£
Tangible fixed assets	-	811,898	-	811,898
Investments	1,458,781	361,071	-	1,819,852
Net current assets	(316,860)	-	1,803,966	1,487,106
Net assets at the end of the year	<u>1,141,921</u>	<u>1,172,969</u>	<u>1,803,966</u>	<u>4,118,856</u>

	General unrestricted	Designated	Restricted	Total funds
	2021	2021	2021	2021
	£	£	£	£
Analysis of net assets between funds				
Prior year				
Tangible fixed assets	-	816,884	-	816,884
Investments	1,273,691	389,032	-	1,662,723
Net current assets	(368,388)	-	1,976,691	1,608,303
Net assets at the end of the year	<u>905,303</u>	<u>1,205,916</u>	<u>1,976,691</u>	<u>4,087,910</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022****14 Movements in funds**

Current year	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
e-Lfh Fund	124,931	-	68,372	-	56,559
Education and Training Projects	475,223	36,000	145,942	-	365,281
HEE	645,373	-	10,000	-	635,373
COPMed and COGPed	128,981	138,204	161,127	(1,145)	104,913
Medical Training Initiative	185,351	132,635	139,709	-	178,277
Matched Funds	43,703	-	43,703	-	-
Patient Safety	302,633	360,394	338,077	-	324,950
Choosing Wisely/ Decisions of Value	12,141	-	9,999	-	2,142
Wales Academy	12,116	-	4,000	-	8,116
Genomics	30,248	115,145	17,764	-	127,629
NHS Digital (AI) Artificial Intelligence	6,257	1,509	7,766	-	-
Changing Face of Medicine	9,734	10,000	19,008	-	726
Total restricted funds	1,976,691	793,887	965,467	(1,145)	1,803,966
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	816,884	-	37,812	32,826	811,898
Designated Development Fund	389,032	-	-	(27,961)	361,071
Total designated funds	1,205,916	-	37,812	4,865	1,172,969
General funds	905,303	814,327	573,989	(3,720)	1,141,921
Total unrestricted funds	2,111,219	814,327	611,801	1,145	2,314,890
Total funds	4,087,910	1,608,214	1,577,268	-	4,118,856

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022****14 Movements in funds (continued)**

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	60,618	150,000	85,687	-	124,931
Education and Training Projects	418,512	145,720	89,009	-	475,223
HEE	228,373	484,836	67,836	-	645,373
COPMed and COGPed	143,474	135,800	150,293	-	128,981
Medical Training Initiative	57,044	230,000	101,693	-	185,351
Matched Funds	51,203	-	7,500	-	43,703
Patient Safety	91,676	427,462	216,505	-	302,633
Choosing Wisely/ Decisions of Value	37,077	30,000	54,936	-	12,141
Wales Academy	14,616	-	2,500	-	12,116
Genomics	25,022	87,372	82,146	-	30,248
NHS Digital (AI) Artificial Intelligence	8,757	-	2,500	-	6,257
Changing Face of Medicine	33,742	15,000	39,008	-	9,734
Health and Work Funding	1,222	-	1,222	-	-
Total restricted funds	1,171,336	1,706,190	900,835	-	1,976,691
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	854,053	-	39,269	2,100	816,884
Designated Development Fund	395,452	-	6,420	-	389,032
Total designated funds	1,249,505	-	45,689	2,100	1,205,916
General funds	624,087	677,195	393,879	(2,100)	905,303
Total unrestricted funds	1,873,592	677,195	439,568	-	2,111,219
Total funds	3,044,928	2,383,385	1,340,403	-	4,087,910

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

E-Lfh (e-learning for health) Fund. This is from HEE enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh. These include the Foundation e-Learning programme, leadership and mental health programmes

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project not progressing as originally intended and used for to draw down CEO secondment costs.

The Flexible Careers Committee. Is a cross-College Group under the auspices of the Academy funded by a small separate levy of Colleges. Funding supports external secretariat and other administrative costs.

HEE. Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and education workforce research.

COPMED/COGPED. Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the COPMED/COGPED secretariat which support and manages their budget. £1,145 transfer relates to fixed assets purchased in 2021-22 for COPMED and COGPED.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2022

14 Movements in funds (continued)

Medical Training Initiative (MTI). The Academy was commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding, now provided by HEE, supports the Academy MTI management of the scheme including our MTI staff.

Matched Funds. Funding was from the Department of Health / NHS England to support a range of projects undertaken by Colleges on the condition they matched the funding awarded.

Patient Safety. A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. HEE funded.

Quality Improvement. Incorporating work on quality improvement (QI) specifically previously developing a syllabus to improve understanding of QI.

Choosing Wisely / Decision of Value. Rethinking Medicine work for NHSE incorporates the Academy's Choosing Wisely.

Wales Academy. Including income from Wales's members and costs of administration and management

Genomics. NHS England funded work to promote understanding and spread of genomics.

NHS Digital (AI) Artificial Intelligence. NHS Digital funded project to look at ethics of AI from a clinical perspective.

Changing Face of Medicine Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources. Work carried out by a contracted consultant.

Pathways – Project with NHSD to establish assurance mechanism for the clinical content on NHS Pathways.

Health and Work Funding – Funding received from Public Health England, for Academy to carry out Health And Work Conference funding.

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Development Fund. Fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources and provide continued funding for the running of the Academy for a period of six months. Work on the development of shared services was funded from the Development Fund.

THE ACADEMY OF MEDICAL ROYAL COLLEGES**Notes to the financial statements****For the year ended 31 March 2022**

15 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Equipment:		
Less than 1 year	<u>10,079</u>	<u>9,009</u>
	<u>10,079</u>	<u>9,009</u>

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

17 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.

Accounts

THE ACADEMY OF MEDICAL ROYAL COLLEGES
TRUSTEES' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR 1 APRIL 2020 TO 31 MARCH 2021

The Board of Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy") for the twelve month period from 1 April 2020 to 31 March 2021.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102."

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, were

Mr Charles Winstanley, Chair and Independent Trustee
Professor Alan Boyd, Independent Clinician Trustee
Dr Anne de Bono (from November 2020)
Professor Michael Escudier, Council Trustee (until June 2020)
Mrs Sarah Harkness, Independent Trustee
Professor Carrie MacEwen, Council chair (until July 2020)
Professor Ravi Mahajan, Council member
Mrs Suzanne McCarthy, Independent Trustee
Mr Miller McLean, Independent Trustee and Chair of the Audit and Risk Committee
Professor Helen Stokes-Lampard, Council Chair (from July 2020)

The address of the charity and the registered office of the company is at
10 Dallington Street, London EC1V 0DB.

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor:	Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX
Accountant:	Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP
Auditor:	Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London EC1Y 0TL
Banker:	National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

The following key senior members of staff are responsible for the day-to-day management of the charity: Mr Alastair Henderson Chief Executive and Company Secretary

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Charitable Activities

In pursuance of its charitable objectives, the Academy's principal activity is sharing and co-ordinating the work of the Colleges and Faculties.

The Academy is undertaking project work in a number of areas which cross College/Faculty boundaries. In particular, the Academy is co-ordinating College and Faculty activity on issues relating to education and training, quality improvement and revalidation.

The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.

The Academy regularly meets Ministers and senior staff from the UK Department of Health and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to appropriate consultation documents on generic issues.

Benefits & Beneficiaries

In accordance with its charitable objectives, the Academy promotes the protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties. In doing so, it seeks to improve the quality of medical care for the benefit of patients. The charity's ultimate beneficiaries are therefore patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit (contained within the recently revised guidance publication "Charities and Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report

The Trustees are of the view that the pursuit of the Academy's objects provides public benefit and they believe the work of the Academy delivers public benefit as follows:

- Through attempting to ensure that all the work of the Academy starts from a patient-centred approach
- Through the delivery of projects which have potential benefit to patients

- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy and the involvement of lay members in all the major work streams run by the Academy such as revalidation, education and quality improvement.
- Through the support of cross-College activity which has an express aim of providing public benefit

Objectives and strategic aims

The Academy reviews its objectives and policy priorities on an annual basis. The objectives in 2020-21 were:-

Our over-arching ambition

To be clearly recognised by all key stakeholders as the leading voice of the medical profession across the UK on cross-specialty matters relating to education, training and improving healthcare for patients.

This means:

- *Coordinating the views of the Medical Royal Colleges on cross-speciality issues*
- *Representing those views to either the key external stakeholders or to Medical Royal Colleges to support their own work*
- *Ensuring that the Academy's views and priorities are informed by patient perspectives.*

Our strategic objectives

a) To provide the highest level of advice and influence on medical education, training and the improvement of healthcare for the benefit of patients.

We will do this by:

- *Ensuring that the Academy is recognised as the voice of doctors - not for doctors' own interests, but in support of the highest standards of patient care*
- *Taking a leading role in the early identification of issues of concern to patients and the profession*
- *Supporting the doctors' role as leaders in developing, managing and delivering services*

b) Be of value and relevant to the needs of our internal and external stakeholders

We will do this by:

- *Taking a UK wide perspective on policy issues in general and in response to specific issues*
- *Actively promoting collaborative working between Colleges and Faculties*
- *Actively engaging with Governments and other appropriate external organisations*
- *Working with representatives of other clinical professions, as appropriate*
- *Ensuring we do more of what adds value and cutting what doesn't*

c) Ensure good governance and financial stability

We will do this by:

- *Actively seeking alternative and additional sources of income, provided they are in line with the organisation's values and objectives*

- *Continuing to ensure that the Academy's expenditure remains in line with the income it generates*
- *Regularly reviewing governance and organisational arrangements to ensure they reflect best practice and can meet challenges as they emerge*

Activity and Performance

The Academy's agreed activities are to

- Promote collectively agreed health policy priorities
- Work collaboratively with members on cross-cutting education and training issues
- Liaise with external bodies on education, training and standards
- Respond to consultations
- Provide or facilitate agreed services to member organisations
- Co-ordinate, but not control, communications activities.

COVID-19 and the pandemic dominated our activity during 2020-21. The Academy and Colleges worked closely with Government and NHS England throughout the year providing advice and support. The focus on COVID impacted on timescales for delivery of various other activities but did not stop other work.

The current policy priorities for the Academy were set by the Council at their annual Policy Day in September 2020. These are:

- *Workforce - Seeking to ensure we have the appropriate workforce, in the right numbers, properly supported and valued.*
Activity included: - Support of enhancing junior doctors working lives initiative, a range of initiatives to support SAS doctors, cross College activity on workforce supply, a project on multi-disciplinary working, running the MTI scheme
- *Education and Training Supporting Colleges in maintaining excellence in medical education and training to ensure the highest quality delivery of care*
Activity included: Working with Statutory Education Bodies and Colleges to maintain and support training through the pandemic; maintaining the Academy education committees, revision of appraisal processes, work on patient safety and flexibility.
- *System improvement (i.e. Today's NHS) Seeking to improve the operational efficiency and effectiveness of the NHS for the benefit of patients and staff.*
Activity included: Considerable work with NHSEI and Colleges on providing advice to support the NHS through the pandemic and ensuring the maintenance of services as far as possible; working with partner organisations to persuade Government to reform social care; ensuring Academy input to development and promotion of digital agenda; working with stakeholders, primarily through the Brexit Health Alliance to ensure that NHS services did not suffer from EU exit.
- *Rethinking Medicine and ensuring a sustainable future NHS (i.e. Tomorrow's NHS) - Seeking to help reshape the future delivery of health and care to provide person-centred equitable services in the future for the whole population.*

Activity included Rethinking Medicine initiative, Greening the NHS; Genomics; pushing for national action for long term reduction in health inequalities

Full details of the Academy's activities during the period are set out on the Academy website in its review of 2020-21

Indicators, Milestones & Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council. The Chief Executive reports to the Council on the delivery of the work programme.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996, and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011 and have been revised on several occasions subsequently

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council. The work of the Academy is centred on the Council which comprises the Presidents of all member Colleges and Faculties. The Council has established a series of Committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council, two vice chairs, and an Independent Clinician Trustee and RCGP representative which directs work between Council meetings.

The Academy has a Chief Executive and employs other full and part time members of staff, who all work closely with the elected Officers. The Academy purchased leasehold premises at 10 Dallington Street, London EC1 in 2010 which provides office accommodation for staff and meeting space for Academy Council and Committee meetings.

In 2019 the Academy joined other tenants in the building to form a limited company, "10 Dallington Street Ltd" which purchased the freehold of the building. The company subsequently granted new 999-year leases to tenants including the Academy.

Governance

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or senior officers, form the Academy Council. The Council is responsible for the development and implementation of Academy policy on healthcare issues.

The Board of Trustees is responsible for the governance of the organisation and comprises an independently appointed Chair, three further independent Trustees, three members of the Academy Council (one of whom may remain on the Board for a period of two years after they demit office as a Council member to provide clinical continuity) and the Chair of the Council. At least two of the independent Trustees must not be medically qualified.

The Board has an Audit and Risk Committee comprising five members of the Board. This looks at specific financial and risk issues in detail on behalf of the Board.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

Recruitment, Appointment & Election

The independent Trustees are appointed through a process of public advertisement and appointment. The Regulations set out the composition of the panel required to appoint independent Trustees. The Council members are elected by the corporate members of the Council following a call for nominations. The independent clinician member is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Council Chair is a member by virtue of their role.

Induction & Training

Trustees receive copies of Charity Commission guidance for Trustees together with the organisation's Articles and Regulations. The Academy also produces a handbook with information on each of its members, the Council's meeting dates and its subcommittees. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chairman of the Trustees and the Chief Executive. Trustees are able to attend meetings of the Council to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity.

There is an annual process of performance review and colleague feedback for Board members on an individual and collective basis and on seeking re-appointment.

External training is also provided for Board members on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

Risk & Corporate Governance Matters

A formal risk register has been developed, under the headings of strategic, operational, people/staff, reputational and financial including investments. Key risks identified during the year and the methods to reduce, manage or eliminate these risks were:

- managing activity through the COVID pandemic. The Academy has been fortunate in that the pandemic has not directly impacted on its operation or immediate funding. Throughout the whole of the financial year, staff were working from home and all meetings were held remotely. This required organisational and cultural change but there were none of its activities which the Academy was unable to undertake. There were in fact financial savings from not incurring travel or accommodation costs.
- ensuring financial balance. We are seeking to ensure continued external funding in the more difficult economic climate. This remains a key issue for the Board
- maintaining effective relationships with members and with Government. This is managed by collecting regular feedback and monitoring the relationships.
- supporting and retaining staff during the pandemic. This was managed through maintaining close contacts and support initiatives.

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee has kept the content and format of the Risk Register under review.

The Board also receives a report on performance developments of the organisation at each meeting and also on future financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis. This is compiled into a register of interests which is reviewed annually by the Board and published on the Academy's website [here](#).

Staffing and HR

The organisation's HR policies were fully revised and agreed in 2017. All policies were further reviewed and agreed by the Board with updating amendments in May 2019. There is a rolling programme to review policies. The pay and reward and organisational structure was revised in April 2019 and remains in place (with annual salary reviews).

A new external HR provider, Ditton HR, started in January 2020.

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, officers and staff of the charity.

Trustees' & Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Audit and Risk Committee met with the auditors to consider and discuss their findings

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Acts 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FINANCIAL REVIEW

Financial Results of Activities & Events

The financial results of the charity's activities for the period ended 31 March 2021 are set out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work and, in the current climate of expanding levels of activity, the Trustees are carefully monitoring performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12 month period, the charity generated total incoming resources of £2,181,576 (2020: £1,014,828) and expended total resources of £1,340,403 (2020: £1,470,213). In addition to its standing committees and associated work programmes, the Academy

undertakes project work funded by national health bodies and fitting with the Academy's strategic aims. The year-on-year fluctuations in income and expenditure are a result of this project work.

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. Details of individual funds can be found in note 14 of the financial statements.

Remuneration Policy

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

Reserves Policy and Going Concern

The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

Consideration was also given to the level of reserves that would be appropriate for each of these categories. The approach used to calculate the organisation's target level of reserves is in line with the risk-based methodology promoted by the Charity Commission. It is based on six months' running costs for the organisation in terms of staffing, administration and running costs together with costs of closure. As such the suggested required total would be £500,000.

The Board has designated a "Development Fund" to cover specific expenditure related to the Academy's development programme and reserves requirements. Trustees recognised this sum includes funds to manage potential loss of project income from national bodies. Having this fund does mean that formally the organisation's reserves are above the recommended limit. The Board is aware of this and recognises the responsibility to ensure that the development fund is utilised in an appropriate way.

The Trustees considered that there were no material uncertainties about the Academy's ability to continue as a going concern. The Board, however, has been very aware of potential threats and risks most particularly in relation to the COVID-19 pandemic.

The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However, there is a potential for adverse impact on

long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

This policy will be considered annually by the Board of Trustees when approving the annual accounts. It will be reviewed fully every three years.

Investments Policy

The Trustees are empowered to invest any monies not immediately required in or upon such investments, securities or property, as may be thought fit. The Board has reviewed its investment policy in 2020 to ensure an even spread of investment avoiding risk to the organisation's funds. The Board has adopted a policy of ethical investment.

Fundraising practice

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

PLANS FOR FUTURE PERIODS

Future Strategy, Activities and their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board. This results in the development of an annual business plan agreed by the Board.

The Trustees are very aware of the possible decline in funding for projects from national bodies and of the need to generate further income. The Board approved a strategic review of the organisation's activities in late 2021 which will consider options for development future activity in conjunction with members.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the Trustees on 21st September 2021, and was signed for and on behalf of the board by

..... Chairman of Board of Trustees
Charles Winstanley

21st September 2021

Independent auditor's report to the members of Academy of Medical Royal Colleges

Opinion

We have audited the financial statements of Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' 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 Academy of Medical Royal College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

7 October 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Sharing & co-ordinating the work of the Colleges & Faculties	2	474,837	1,706,190	2,181,027	447,859	563,048	1,010,907
Investment income	3	549	-	549	3,921	-	3,921
Total income		475,386	1,706,190	2,181,576	451,780	563,048	1,014,828
Expenditure on:							
Charitable activities: Sharing & co-ordinating the work of the Colleges & Faculties	4	439,568	900,835	1,340,403	581,972	888,241	1,470,213
Total expenditure		439,568	900,835	1,340,403	581,972	888,241	1,470,213
Net income / (expenditure) before net gains on investments		35,818	805,355	841,173	(130,192)	(325,193)	(455,385)
Net gains on investments		201,809	-	201,809	142,144	-	142,144
Net income / (expenditure) for the year	5	237,627	805,355	1,042,982	11,952	(325,193)	(313,241)
Net movement in funds	14	237,627	805,355	1,042,982	11,952	(325,193)	(313,241)
Reconciliation of funds:							
Total funds brought forward		1,873,592	1,171,336	3,044,928	1,861,640	1,496,529	3,358,169
Total funds carried forward		2,111,219	1,976,691	4,087,910	1,873,592	1,171,336	3,044,928

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 14.

The attached notes form part of these financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Balance sheet

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	8		816,884		854,053
Investments	9		<u>1,662,723</u>		<u>1,460,914</u>
			<u>2,479,607</u>		<u>2,314,967</u>
Current assets:					
Debtors	10	269,555		346,785	
Cash at bank and in hand		<u>1,503,476</u>		<u>1,336,993</u>	
		<u>1,773,031</u>		<u>1,683,778</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(164,728)</u>		<u>(953,817)</u>	
Net current assets			<u>1,608,303</u>		<u>729,961</u>
Total net assets			<u><u>4,087,910</u></u>		<u><u>3,044,928</u></u>
Funds	14				
Restricted funds			1,976,691		1,171,336
Unrestricted funds:					
Designated funds - building fund		816,884		854,053	
Designated funds - development fund		389,032		395,452	
General funds		<u>905,303</u>		<u>624,087</u>	
Total unrestricted funds			<u>2,111,219</u>		<u>1,873,592</u>
Total funds			<u><u>4,087,910</u></u>		<u><u>3,044,928</u></u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on 21 September 2021
and signed on their behalf by:

Charles Winstanley
Chairman

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of cash flows

For the year ended 31 March 2021

	Note	£	2021 £	£	2020 £
Net cash provided by (used in) operating activities	a		168,583		(620,207)
Cash flows from investing activities:					
Purchase of fixed assets		(2,100)		(73,858)	
Cash used in investing activities			(2,100)		(73,858)
Change in cash and cash equivalents in the year			166,483		(694,065)
Cash and cash equivalents at the beginning of the year			1,336,993		2,031,058
Cash and cash equivalents at the end of the year	b		1,503,476		1,336,993
a) Reconciliation of net expenditure to net cash flow from operating activities					
			2021 £		2020 £
Net income / expenditure for the reporting period (as per the statement of financial activities)			1,042,982		(313,241)
Depreciation			39,269		27,931
Gains on investments			(201,809)		(142,144)
Decrease / (Increase) in debtors			77,230		(279,967)
(Decrease)/ Increase in creditors			(789,089)		87,214
Net cash provided by / (used in) operating activities			168,583		(620,207)
b) Analysis of cash and cash equivalents					
		At 1 April 2020 £	Cash flows £	Other changes £	At 31 March 2021 £
Cash at bank and in hand		1,336,993	166,483	-	1,503,476
Total cash and cash equivalents		1,336,993	166,483	-	1,503,476

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Going concern

The Trustees considered that there are no material uncertainties about the Academy's ability to continue as a going concern. The Board, however, has been very aware of potential threats and risks most particularly in relation to the COVID-19 pandemic. The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

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

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

2 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Sharing and co-ordinating the work of the Colleges and Faculties:						
Subscription from members	437,232	-	437,232	447,859	-	447,859
Grants and other similar funding	37,605	1,706,190	1,743,795	-	563,048	563,048
Total income from charitable activities	474,837	1,706,190	2,181,027	447,859	563,048	1,010,907

3 Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Bank interest	549	-	549	3,921	-	3,921
	549	-	549	3,921	-	3,921

4 Analysis of expenditure Current year

	Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities £	Support costs £	Governance costs £	2021 Total £	2020 Total £
Grants payable (See note 15)	-	-	-	-	92,000
Direct costs	455,013	-	-	455,013	279,196
Staff costs (See note 6)	277,212	380,735	33,107	691,054	779,523
Committees & forums expenses	-	289	-	289	31,864
Public relations costs including Indigo Research	-	-	-	-	87,172
Operating lease rentals	-	10,436	-	10,436	10,436
Premises costs	-	29,208	-	29,208	37,365
Other printing, postage, stationery, admin costs	-	19,320	-	19,320	33,946
Insurance	-	8,722	-	8,722	8,374
Communication costs	-	22,231	-	22,231	21,217
Audit fees	-	-	9,300	9,300	9,120
Accountancy services	-	38,672	-	38,672	35,934
Legal and professional fees	-	15,831	-	15,831	14,827
Bank and credit card charges	-	1,058	-	1,058	1,308
Depreciation - owned assets	-	39,269	-	39,269	27,931
	732,225	565,771	42,407	1,340,403	1,470,213
Support costs	565,771	(565,771)	-	-	-
Governance costs	42,407	-	(42,407)	-	-
Total expenditure 2021	1,340,403	-	-	1,340,403	1,470,213

Of the total expenditure £439,568 (2020: £581,972) was unrestricted and £900,835 (2020: £888,241) was restricted.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

4 Analysis of expenditure - continued Prior year

	Sharing and co-ordinating the work of the Colleges and Faculties			2020 Total £
	Charitable activities £	Support costs £	Governance costs £	
Grants payable (See note 15)	92,000	-	-	92,000
Direct costs	279,196	-	-	279,196
Staff costs (See note 6)	442,917	309,678	26,928	779,523
Committees & forums expenses	-	27,778	4,086	31,864
Public relations costs including Indigo Research	-	87,172	-	87,172
Operating lease rentals	-	10,436	-	10,436
Premises costs	-	37,365	-	37,365
Other printing, postage, stationery, admin costs	-	33,946	-	33,946
Insurance	-	8,374	-	8,374
Communication costs	-	21,217	-	21,217
Audit fees	-	-	9,120	9,120
Accountancy services	-	35,934	-	35,934
Legal and professional fees	-	14,827	-	14,827
Bank and credit card charges	-	1,308	-	1,308
Depreciation - owned assets	-	27,931	-	27,931
	814,113	615,966	40,134	1,470,213
Support costs	615,966	(615,966)	-	-
Governance costs	40,134	-	(40,134)	-
Total expenditure 2020	<u>1,470,213</u>	<u>-</u>	<u>-</u>	<u>1,470,213</u>

5 Net income / (expenditure) for the year

	2021 £	2020 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	10,436	10,436
Depreciation	39,269	27,931
Auditor's remuneration:		
Audit fee (excl. VAT)	7,600	7,600
Trustees' expenses	-	4,086

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	569,062	641,153
Social security costs	61,000	67,118
Employer's contribution to defined contribution pension schemes	55,167	58,709
Luncheon vouchers	3,948	4,852
Temporary and other staff costs	1,877	7,691
	<u>691,054</u>	<u>779,523</u>

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2021	2020
	No.	No.
£110,000 - £120,000	<u>1</u>	<u>1</u>

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £137,649 (2020: £142,599).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £8,722 (2020: £8,736).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil). None of the trustees were reimbursed travel & accommodation expenses during the year (2020: two trustees were reimbursed £4,086).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021	2020
	No.	No.
Office and administration	2	2
Charitable activities	12	13
	<u>14</u>	<u>15</u>

7 Taxation

The Academy is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
	£	£	£	£
Cost				
At the start of the year	985,650	49,162	199,944	1,234,756
Additions in year	-	-	2,100	2,100
At the end of the year	<u>985,650</u>	<u>49,162</u>	<u>202,044</u>	<u>1,236,856</u>
Depreciation				
At the start of the year	184,036	48,861	147,806	380,703
Charge for the year	19,656	96	19,517	39,269
At the end of the year	<u>203,692</u>	<u>48,957</u>	<u>167,323</u>	<u>419,972</u>
Net book value				
At the end of the year	<u>781,958</u>	<u>205</u>	<u>34,721</u>	<u>816,884</u>
At the start of the year	<u>801,614</u>	<u>301</u>	<u>52,138</u>	<u>854,053</u>

All of the above assets are used for charitable purposes.

In 2019 the owners of the building at 10 Dallington Street indicated their desire to sell the freehold. In accordance with legislative requirements existing tenants were offered the opportunity of purchasing the freehold. The majority of residential and commercial tenants expressed a desire to do so and formed a company "10 Dallington Street Ltd" which purchased the freehold. The Academy is a member of "10 Dallington Street Ltd". The company has subsequently granted new 999 year leases to tenants including the Academy.

9 Investments	2021	2020
	£	£
Fair value at the start of the year	1,460,914	1,318,770
Net gains on revaluation	<u>201,809</u>	<u>142,144</u>
Fair value at the end of the year	<u>1,662,723</u>	<u>1,460,914</u>
Historic cost at the end of the year	<u>1,000,000</u>	<u>1,000,000</u>

10 Debtors	2021	2020
	£	£
Trade debtors	223,849	321,559
Other debtors	7,991	10,824
Prepayments and accrued income	<u>37,715</u>	<u>14,402</u>
	<u>269,555</u>	<u>346,785</u>

11 Creditors: amounts falling due within one year	20201	2020
	£	£
Trade creditors	31,846	73,843
Taxation and social security including pension	20,334	28,548
Other creditors	3,723	32,186
Accruals	108,825	11,520
Deferred income	<u>-</u>	<u>807,720</u>
	<u>164,728</u>	<u>953,817</u>

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Notes to the financial statements

For the year ended 31 March 2021

12 Deferred income	2021	2020
	£	£
Balance at the beginning of the year	807,720	688,472
Amount released to income in the year	(807,720)	(30,752)
Amount deferred in the year	-	150,000
Balance at the end of the year	<u>-</u>	<u>807,720</u>

Deferred income comprises funds received in advance of activities and events in the 2019/20 financial year.

13 Analysis of net assets between funds Current year

	General unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total funds 2021 £
Tangible fixed assets	-	816,884	-	816,884
Investments	1,273,691	389,032	-	1,662,723
Net current assets	(368,388)	-	1,976,691	1,608,303
Net assets at the end of the year	<u>905,303</u>	<u>1,205,916</u>	<u>1,976,691</u>	<u>4,087,910</u>

	General unrestricted 2020 £	Designated 2020 £	Restricted 2020 £	Total funds 2020 £
Analysis of net assets between funds Prior year	-	854,053	-	854,053
Tangible fixed assets	-	854,053	-	854,053
Investments	1,065,462	395,452	-	1,460,914
Net current assets	(441,375)	-	1,171,336	729,961
Net assets at the end of the year	<u>624,087</u>	<u>1,249,505</u>	<u>1,171,336</u>	<u>3,044,928</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

14 Movements in funds

Current year	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
Restricted funds:					
e-Lfh Fund	60,618	150,000	85,687	-	124,931
Education and Training Projects	414,612	145,720	88,334	-	471,998
HEE	228,373	484,836	67,836	-	645,373
Flexible Careers Committee	3,900	-	675	-	3,225
COPMed and COGPed	143,474	135,800	150,293	-	128,981
Medical Training Initiative	57,044	230,000	101,693	-	185,351
Matched Funds	51,203	-	7,500	-	43,703
Patient Safety	91,676	427,462	216,505	-	302,633
Choosing Wisely/ Decisions of Value	37,077	30,000	54,936	-	12,141
Wales Academy	14,616	-	2,500	-	12,116
Genomics	25,022	87,372	82,146	-	30,248
NHS Digital (AI) Artificial Intelligence	8,757	-	2,500	-	6,257
Changing Face of Medicine	33,742	15,000	39,008	-	9,734
Health and Work Funding	1,222	-	1,222	-	-
Total restricted funds	1,171,336	1,706,190	900,835	-	1,976,691
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	854,053	-	39,269	2,100	816,884
Designated Development Fund	395,452	-	6,420	-	389,032
Total designated funds	1,249,505	-	45,689	2,100	1,205,916
General funds	624,087	677,195	393,879	(2,100)	905,303
Total unrestricted funds	1,873,592	677,195	439,568	-	2,111,219
Total funds	3,044,928	2,383,385	1,340,403	-	4,087,910

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

14 Movements in funds (continued)

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
Revalidation Fund	141,434	-	141,434	-	-
e-Lfh Fund	140,014	-	79,396	-	60,618
Education and Training Projects	31,077	-	88,119	471,654	414,612
HEE	713,207	1,820	15,000	- 471,654	228,373
Flexible Careers Committee	1,912	3,250	1,262	-	3,900
COPMed and COGPed	72,011	235,200	163,737	-	143,474
Matched Funds	58,703	-	7,500	-	51,203
Patient Safety	117,250	104,000	129,574	-	91,676
Choosing Wisely/ Decisions of Value	21,834	19,000	3,757	-	37,077
Wales Academy	19,102	-	4,486	-	14,616
Genomics	3,240	55,778	33,996	-	25,022
NHS Digital (AI) Artificial Intelligence	11,257	-	2,500	-	8,757
Changing Face of Medicine	91,875	50,000	108,133	-	33,742
Health and Work Funding	7,262	4,000	10,040	-	1,222
Total restricted funds	<u>1,496,529</u>	<u>563,048</u>	<u>888,241</u>	<u>-</u>	<u>1,171,336</u>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	808,126	-	27,780	73,707	854,053
Designated Development Fund	484,476	-	89,024	-	395,452
Total designated funds	<u>1,292,602</u>	<u>-</u>	<u>116,804</u>	<u>73,707</u>	<u>1,249,505</u>
General funds	569,038	593,924	465,168	(73,707)	624,087
Total unrestricted funds	<u>1,861,640</u>	<u>593,924</u>	<u>581,972</u>	<u>-</u>	<u>1,873,592</u>
Total funds	<u>3,358,169</u>	<u>1,156,972</u>	<u>1,470,213</u>	<u>-</u>	<u>3,044,928</u>

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

E-Lfh (e-learning for health) Fund. This is from HEE enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh. These include the Foundation e-Learning programme, leadership and mental health programmes

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project not progressing as originally intended and used for to draw down CEO secondment costs.

The Flexible Careers Committee. Is a cross-College Group under the auspices of the Academy funded by a small separate levy of Colleges. Funding supports external secretariat and other administrative costs.

HEE. Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and education workforce research.

COPMeD/COGPED. Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the CPMED/COGPED secretariat which support and manages their budget.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

14 Movements in funds (continued)

Medical Training Initiative (MTI). The Academy was commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding, now provided by HEE, supports the Academy MTI management of the scheme including our MTI staff.

Matched Funds. Funding was from the Department of Health / NHS England to support a range of projects undertaken by Colleges on the condition they matched the funding awarded.

Patient Safety. A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. HEE funded.

Quality Improvement. Incorporating work on quality improvement (QI) specifically previously developing a syllabus to improve understanding of QI

Choosing Wisely / Decision of Value. Rethinking Medicine work for NHSE incorporates the Academy's Choosing Wisely

Wales Academy. Including income from Wales's members and costs of administration and management charge.

Genomics. NHS England funded work to promote understanding and spread of genomics.

NHS Digital (AI) Artificial Intelligence. NHS Digital funded project to look at ethics of AI from a clinical perspective.

Changing Face of Medicine Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources. Work carried out by a contracted consultant.

Health and Work Funding – Funding received from Public Health England, for Academy to carry out Health And Work Conference funding.

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Development Fund. Fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources and provide continued funding for the running of the Academy for a period of six months. Work on the development of shared services was funded from the Development Fund.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2021

15 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Equipment:		
Less than 1 year	9,009	10,436
1 - 2 years	-	9,009
	<u>9,009</u>	<u>19,445</u>

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

17 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.