

ROYAL COLLEGE OF PAEDIATRICS AND CHILD HEALTH

England & Wales · Charity number 1057744

Details

Other names	COLLEGE OF PAEDIATRICS AND CHILD HEALTH
Status	Registered
Legal form	Other
Company number	RC000764
Registered	1996-08-22
Register	View on the Charity Commission register

Contact

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Activities

Objects: (1) TO ADVANCE THE ART AND SCIENCE OF PAEDIATRICS; (2) TO RAISE THE STANDARDS OF MEDICAL CARE PROVIDED TO CHILDREN; (3) TO EDUCATE AND EXAMINE THOSE CONCERNED WITH THE HEALTH OF CHILDREN;(4) TO ADVANCE THE EDUCATION OF THE PUBLIC (AND IN PARTICULAR PRACTITIONERS OF ILLNESS AND DISEASE IN CHILDREN, THE PREVENTION OF ILLNESS AND DISEASE IN CHILDREN AND SAFEGUARDING THEIR OPTIMAL DEVELOPMENT.

Activities: The College aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Other Charitable Purposes
- **Who:** Children/young People, People With Disabilities

Geography

- Burma
- Ghana
- Ireland
- Kenya
- Nigeria
- Northern Ireland
- Occupied Palestinian Territories
- Rwanda
- Scotland
- Sierra Leone
- Uganda

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£21,435,000	£20,750,000	£23,424,000	198
2023-08-31	£17,624,000	£19,100,000	£22,470,000	190
2022-08-31	£17,713,000	£15,765,000	£24,060,000	190
2021-08-31	£16,350,000	£14,597,000	£22,320,000	178
2020-08-31	£15,350,000	£15,613,000	£20,312,000	184

Trustees

Name	Role	Appointed
Joanne Mary Shaw	Chair	2021-11-01
Dr Alison Mary Steele		2024-01-24
Dr Chris Ronny Lok Hon Cheung		2025-04-01
Dr Edward James Baker		2025-12-01
Dr Janet Alison Dudley		2024-05-08
Dr Sunil Singh Bhopal		2023-09-05
Dr Terry Yvonne Heller		2025-12-08
Iman Salah Osman		2024-09-27
James Andrew Siswick		2024-08-05
Matthew Edward Blaker		2025-12-01
Professor Stephen William Turner		2021-03-31
Simon Christopher Meredith		2021-12-01
Taona Christopher Makunganya		2023-09-05

Linked charities

- THE DAVID BAUM INTERNATIONAL FOUNDATION (1057744-1)

Accounts

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements for the year ended 31 August 2024

Published March 2025



Reference and administrative information

Charity name The Royal College of Paediatrics and Child Health
Charity number 1057744 England and Wales
SC038299 Scotland

Incorporated in England by Royal Charter, registered number RC000764

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Table of contents

Introduction	4
Message from the Chair of the Board of Trustees.....	4
Message from the Chief Executive Officer.....	5
Strategy	6
Trustees' report	
Achievements and performance.....	8
Financial review.....	18
Plans for Future Periods.....	24
People.....	25
Structure Governance and Management.....	27
Principal risks and uncertainties.....	30
Statement of Trustees' Responsibilities.....	32
Independent Auditors' report to the Members and Trustees of The Royal College of Paediatrics and Child Health	34
Financial Statements	38
Consolidated statement of financial activities.....	38
Consolidated balance sheet.....	39
Consolidated statement of cashflows.....	40
Notes to the financial statements.....	41

Introduction

Message from the Chair of the Board of Trustees

Looking back at the financial year on which we are now reporting, I am proud to reflect on the significant strides the College has made in advancing child health and supporting members. In the four countries of the UK, the environment for our members and their young patients has been exceptionally difficult, with intense pressure on health services and the workforce. The College has also felt the effects of an exceptionally turbulent global context for child health, which has affected our members overseas and in the UK.

During this year the College has continued to strengthen its capabilities as it champions the needs of paediatricians and the health and wellbeing of children.



Through the following pages, the trustees of the College present our report and audited financial statements for the year ending 31 August 2024. We hope that the report provides you with an informative overview of the College's activities in this period, its planning, decision making and use of resources to meet its charitable objectives.

The College has maintained strong financial performance, and the trustees are confident in its financial viability not only for the next 12 to 24 months but also in delivering our next ambitious strategy. Our new strategy sets a bold vision for the future, taking a 10-year strategic view, extending our planning horizon and consolidating the College's activities to deliver its mission and goals.

In a year of leadership transitions I would like to express my personal thanks to Dr Camilla Kingdon our previous President and Dr Liz Marder our previous Treasurer for their outstanding contributions over the years. I also welcome Prof Steve Turner and Dr Alison Steele in the first year of their respective roles as President and Treasurer.

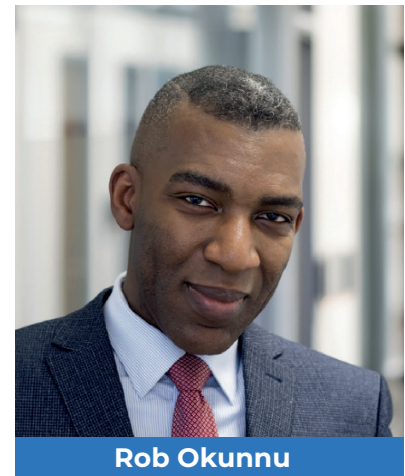
The entire College, its trustees, officers and staff are focused on delivering our ambitious new strategy and are looking forward to the College continuing to make a positive difference to paediatrics and child health.

Joanne Shaw
Chair of Trustees

Message from the Chief Executive Officer

It has been another year where the external environment has been characterised by uncertainty, with change in government and public policy but we have set our eyes on being positioned well for the future. Despite transition and change, the College has adapted ably while remaining committed to its mission and vision.

As we close our current strategy, we can reflect on the significant achievements made. We received encouraging feedback from the General Medical Council on the first-year update of Progress+, facilitated over 9,000 examinations worldwide, and RCPCHLearning achieved a remarkable milestone surpassing 5,000 course completions since launch – an endorsement of our dedication to professional development. On advocacy, the College campaigned successfully for the UK roll out of the RSV vaccine and pushed forward with our calls for a ban on disposable vapes along with many other campaigns.



In any given year, we make it a priority to ensure that members are supported through the activities that we undertake. It has been hugely beneficial to receive the latest insights from our membership survey, informing both our short-term and long-term planning to enhance the experience of our 24,000 members. This is especially true in the area of digital transformation, where we are planning future improvements to our IT infrastructure to better support member interaction with the College.

The achievements in this report would not be possible without the efforts of many across all aspects of College life. Thank you to our members in College roles, children and young people, parents and carers who tirelessly dedicate their time to support the work of the College. Thank you to the staff team for their work to support the College's ambitions throughout this period.

We are excited by the new strategy and look forward to supporting its delivery.

Rob Okunnu
Chief Executive Officer

Strategy

Our Vision is:

A world where every child is healthy and well.

Our Mission is:

Advance child health practice, shape policy, set educational standards and empower paediatricians. We are led by insights from our members, children and young people.

This Annual Report bridges two strategic periods of the College. Our 2021-24 strategy built on what we had learnt during the pandemic and, as we close this chapter, we recognise that new ways of working and interacting have been embedded into our post pandemic life.

These ways of working set the scene for developing our new strategy during the course of 2023-24, setting the College up to focus on the needs of our paediatric workforce to push forward on digital transformation, to see our children and young people engagement standards further recognised and to create space to improve our offer not only to our members but also those members who have a College role and staff.

As we developed our new strategy, we reflected on our vision and mission. To understand our vision, we reflected on what the world would look like in an ideal state, and moved our vision from 'to lead the way in children's health' to 'a world where every child is healthy and well' underpinning this vision our mission sets to explain how we will move towards this world; by advancing child health practice, shaping policy, set educational standards and empowering paediatricians and what makes the College unique. We are led by insights from our members, children and young people.

2021–24

Vision

To lead the way in children's health.

Mission

To improve the health and wellbeing of children and young people across the world, by supporting paediatricians, shaping policy and improving practice.

2024–34

Our Vision is:

A world where every child is healthy and well.

Our Mission is:

Advance child health practice, shape policy, set educational standards and empower paediatricians. We are led by insights from our members, children and young people.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities. Across the final year of the 2021 – 24 strategy, the College reviewed its purpose, its role and how to use our resources in the most efficient way. As a result, four new strategic goals were developed looking out across a ten-year strategic outlook, starting with a new three-year strategy spanning 2024-27. The College believes that achieving these four strategic goals will create maximum benefit for paediatricians and child health.

2021–24

- 1.** To harness knowledge, data and intelligence to improve the quality of care for children and young people.
- 2.** To equip members with the skills and knowledge they need through training and assessment.
- 3.** To speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.
- 4.** To develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

2024–34

- 1.** The size, skill and welfare of the UK child health workforce are prioritised by senior NHS decision makers to meet the needs of children and young people across the four nations.
- 2.** Child health is at the centre of decision making across the four nations.
- 3.** Research, evidence and clinical standards improve safety and child health outcomes.
- 4.** RCPCH has an international impact in paediatrics and child health.

Trustees' report

Achievements and performance

Impact

The College has sought to identify meaningful metrics that illustrate progress across some of our key areas of priority. We reached all of our four Key Performance Indicators (KPIs) increasing the number of exams taken, courses delivered and growing our membership by 7% over the year. We congratulate those members who successfully passed exams and look forward to hearing from, and supporting our members in their paediatric career.

Key:



Met or exceeded target



Missed by under 5% of target



Missed by over 5% of target

The number of people that attend our online and face-to-face educational training courses	Target: 2,787 Achieved: 2,866 We continued to exceed our targets whilst maintaining standards with a 4.4/5 rating across our courses.	 Met or exceeded target
Number of members	Target: 2% growth Achieved: 4.4% growth, from 22,466 to 23,461 By continuing to provide a strong membership offer, we grew our membership by 4.4%, reaching a total number of members of 23,461, around the world.	 Met or exceeded target
Number of members worldwide taking our examinations	Target: 8,392 Achieved: 9,098 We've exceeded our target, demonstrating the tremendous work of the examinations teams and examiners to support our members across the world.	 Met or exceeded target
The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees	Target: 29.6% Achieved: 33% Our income diversification has grown to 33% from 16.1% in 2019-20, due to the return of face-to-face activity, including the annual conference.	 Met or exceeded target

Strategic aim 1:

Harness knowledge, data and intelligence to improve the quality of care for children and young people.

Standards and Quality (R&QI)

The College continued to carry out a wide range of work to improve the quality of paediatric care and child health.

We continue to be commissioned by the Healthcare Quality Improvement Partnership (HQIP) to deliver the Epilepsy12, National Neonatal Audit Programme and National Paediatric Diabetes Audit national clinical audit projects as part of the wider National Clinical Audit and Patient Outcomes Programme (NCAPOP). All three national audit projects have produced and published State of the Nation annual reports during the past 12 months as well as having launched public facing Key Performance Indicator Data Dashboards, which provide more frequent benchmarking of performance against national guidelines and quality standards at various levels of NHS structures. The national audits have the continued aim of supporting improvements in child health through the provision of trusted benchmarking data in a range of accessible formats and by stimulating and supporting aligned quality improvement activities.

The Invited Reviews Service undertook three reviews, of which the active involvement of the College has concluded in two and are following up on the third. During the year we planned for two further reviews which were subsequently undertaken after 31 August 2024.

The Invited Review Service has engaged with the relevant regulator, inspectorate or other body involved in patient safety and quality improvement in the four nations and achieved agreement which ensures that the College informs the relevant body of invited reviews undertaken in its nation. This aligns with the Academy of Medical Royal Colleges (AoMRC) framework of operating principles for managing invited reviews.

We launched and completed the fourth wave of the RCPCH Epilepsy Quality Improvement Programme (EQIP). The RCPCH EQIP ran from 2019 to 2024. Paediatric epilepsy teams in England and Wales learned about, implemented and shared quality improvement (QI) projects. Our impact report explains how a whole team approach, co-production with children and young people and improved skills drive improvements in epilepsy care for children and young people. The EQIP teams' case studies give an insight on their local improvements, covering a wide range of QI themes, such as mental health support, transition pathways and health inequalities. We also have a summary report from the last year of the programme, plus evaluation results from each training wave.

In 2024, Medicines for Children commissioned a comprehensive impact review to support future funding and stakeholder engagement, released its new medicines management app for families on the app store, and collaborated with children's health organisations such as the Children's Liver Disease Foundation to address resource gaps and publish much needed new medicines information leaflets.

We launched five webinars on Patient Safety between January and February 2024, which were well received and had the highest first month downloads of any RCPCH podcasts.

Digital transformation

With the founding of our new Digital Committee, we have been able to focus digital efforts on the initial fact-finding phase towards developing digital skills roadmaps for paediatricians and creating a digital solutions catalogue to help our members accelerate the uptake of efficacious, safe and cost effective technologies into their healthcare settings.

Amongst the new customers for our GrowthAPI child growth calculation service this year were NHS Wales, work for which has won the College a joint technology implementation prize, serving as an excellent example of how partnering with other organisations in our sector can be truly impactful to child health.

In the area of data and insight we are pleased to have upgraded our platforms to enable us to provide stakeholders with flexible and near real-time reporting capabilities, enabling key informed and trusted decision making on a range of different child health matters across the UK.

Our clinical audit capabilities have been further improved through the in-house development of our own Clinical Audit Platform (CAP), a flexible and modular data capture, analysis and reporting system, onto which we have migrated the Epilepsy12 audit, with the National Paediatric Diabetes Audit migration to follow.

We are also continuing to work closely with stakeholders such as NHS England, NHS Wales and NHS Scotland on key technology projects. We are now regular members of the NHS Child Health Digital Service Advisory Group, which enables a better insight into the NHS's plans and allows us to actively support digital initiatives to improve paediatricians' access to child health data across the UK.

Research and evidence

The Research and Evidence team produce evidence-based resources to support clinical practice.

Child Protection Evidence is our digital evidence-based resource which provides the latest evidence on the signs of physical abuse and neglect. The resource informs clinical practice, child protection procedures, and professional and expert opinion in the legal system.

The team are working collaboratively with a leader in the private technology sector to combat the distribution and publication of child sexual abuse material in a digital world. This evidence-based resource details factors to reliably determine the pubertal stage of an individual in an image or video, to assist in the reduction of digital child abuse materials globally.

Within our Clinical Guidelines work, we launched a guideline hub in early 2024. This is a new resource for paediatricians and colleagues across the child health workforce who may need to develop a clinical guideline in their specialty area. The hub contains a range of key links and information about the guideline process and the required steps to take.

RCPCH / Neonatal and Paediatric Pharmacy Group Joint Standing Committee on Medicines published an important clinical guideline related to medication safety. The guideline covers the inclusion of medication analysis in the paediatric ward round environment to improve medication safety and was reactively developed in response to a Healthcare Safety Investigation Branch recommendation.

We continue to share College views and concerns relating to externally developed National reports and guidelines and have influenced organisations such as the National Institute for Health and Care Excellence and the Department of Health and Social Care.

To increase paediatric research capacity, we held our first Research for Non-Academics event this year. The event was aimed at supporting paediatricians in training with little or no prior experience with research. Delegates were very positive about the event which covered topics such as how to get published, critical appraisal, and how to get involved with National Institute for Health and Care Research (NIHR).

Through our partnership with NIHR, two Programme Development Grants dedicated to child health and well-being research were launched, in alignment with the College's goals of building research capacity and tackling complex challenges in paediatrics.

The RCPCH Science and Research awards recognise excellence in paediatric research. This year, the Dr Simon Newell Early Independent Researcher Award, RCPCH-NIHR PIER Award, and Donald Paterson Award were presented at the 2024 RCPCH conference. Additionally, the new Williams Syndrome Cooper Bursary, supported by the Williams Syndrome Foundation, was launched and will be awarded annually to outstanding trainee-led research in paediatric learning disabilities.

In Genomics, we hosted our first in-person RCPCH Genomics Symposium, a half-day event featuring five sessions focused on best practices in paediatric genomics. Additionally, RCPCH and the Genomics Education Programme held a Study Day on applying genomics in paediatrics, which combined presentations with interactive elements. A subsequent webinar presented case studies from paediatric clinics where genomics has enhanced patient care.

The British Paediatric Surveillance Unit (BPSU) has continued to host and support innovative studies into rare and infectious diseases affecting children and young people covering a range of conditions such as acute hepatitis, near fatal asthma, congenital and hospitalised neonatal varicella and rapid-onset obesity with hypothalamic dysfunction, hypoventilation, and autonomic dysregulation (ROHHAD).

Strategic aim 2

Equip members with the skills and knowledge they need through training and assessment.

Professional training and examinations

Our theory, membership clinical and Diploma of Child Health (DCH) clinical examinations have continued to run successfully in the UK and across the world. Our theory exams reached almost 8,800 examinees and our clinical exams reached over 3,500 examinees. With the pandemic now largely behind us, our membership clinical examinations across the world returned fully face to face. We were very pleased to honour our pre-pandemic commitment to Pakistan to open up clinical examinations there for the first time, following years of collaboration.

The College has run several successful Examinations & Assessment events, bringing members from across the UK as well as our global colleagues, to produce and review new questions for our examinations.

The Progress+ paediatric training curriculum reached its first-year anniversary in August 2024 and received full support following its first review by the General Medical Council (GMC). Resource hubs were curated by the team and the Training & Quality Board for College Tutors and our College Specialty Advisory Committees (CSACs). We also, as lead College, brought together a collaboration of other specialties and devolved nation governments to begin updating the intercollegiate guidance on safeguarding children which will go into consultation next year.

Towards the end of this year, we began the process of mapping out a significant review of our entire assessment system, including the examination, workplace-based assessments and the Specialty Trainee Assessment of Readiness for Tenure (START).

Our educational courses help members and non-members develop their learning across child protection, examination preparation, educational supervision and a range of clinical skills. Over 2,800 accessed almost 50 courses throughout the year. We have added further courses to our portfolio, including on Childhood Poverty, Child Mental Health, and Children, Violence & Safeguarding. In addition, the College grew its number of educational webinars which regularly attracted hundreds of members to each event across its variety of topics.

RCPCHLearning continues to grow, with over 17k users, of which 15,398 were actively engaged in completing modules this last year. The Paeds Round podcast series came online and the Education & Learning Board developed new e-learning channels for production in 2024/25. The Leadership Hub launched on RCPCHLearning and will continue to develop as more resources come online.

Humanitarian work

In an uncertain world, in which children and their families are exposed to escalating levels of insecurity on top of structural poverty and development challenges, RCPCH Global seeks to leverage the immense power of the College membership, in the UK and across the world, to support improvements in paediatric care and action enhancing child health and welfare. With a small team, we work with bilateral and multilateral partners, from the UK's Foreign, Commonwealth & Development Office to UNICEF and WHO, as well as a widening pool of philanthropic donor organisations, to facilitate a genuinely equitable global exchange of paediatric skills and child health initiatives, in some of the poorest countries and the most intractable humanitarian crises around the world.

We continue to build our partnerships in Rwanda and Nepal. We continue to support clinicians and colleagues in Myanmar and Lebanon. And we are starting to build new endeavours, working with our international membership, in India, Nigeria and Pakistan.

Our programmes are designed to build outward from training, education and technical assistance in paediatric care, incorporating an increasingly intensive focus on newborn survival – with some dramatically positive impact on neonatal mortality. But we go further, supporting cross-disciplinary working with obstetricians and midwives in the perinatal period, with nurses and midwives in the primary care level, and with advanced intervention in tertiary centres. We integrate training with long-term mentoring relationships, with system strengthening support to procurement and use of essential medicines and equipment, with data officers and health information systems, with facility leaders, and with policymakers at governmental and ministerial levels.

Our work seeks to position the College as a leading voice in the technical development of health sector function globally, in low and lower-middle income countries, working in partnership with international and local agencies and actors to maximise the College's potential for impact. But we work, too, to support members and colleagues engaged in global child health, working in the UK to enhance child health at home, as we find ways to promote and protect the rights of children and the health of families in an increasingly mobile and interdependent world.

Strategic aim 3

Speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.

Policy and advocacy

Over the past year, we achieved significant milestones in advocating for child health and wellbeing. Following a headline campaign from the College, all four nations of the UK announced a rollout of the Respiratory Syncytial Virus (RSV) vaccine for pregnant women, which is already providing vital protection for infants. Additionally, we pushed forward with our calls for a ban on disposable vapes, which we are pleased is now being taken forward into law. We also delivered the Equal Protection Campaign, amplifying parliamentary attention, with backing from the Children's Commissioner. This progress marks an essential step towards safeguarding children's rights at a legislative level.

Ahead of the general election, we secured inclusion of some of our key policy priorities in the government's child health action plan, covering oral health and the digitisation of the Redbook. This recognition underscores our influence in shaping health policies that prioritise child health. In preparation for the new UK government, we developed a Blueprint for Child Health Services in England, aimed at influencing the new administration, and enabling us to feed in comprehensively to the Darzi review, and the NHS's forthcoming 10-Year Plan. Elsewhere we commenced an update on the Facing the Future suite of paediatric service standards and established a new Mental Health Advisory Committee. To tackle barriers to vaccination, we secured funding for research that will guide future efforts in boosting immunisation rates.

We've also fostered stronger ties across the child health sector, with over 200 stakeholder meetings conducted by our team and/or our dedicated team of Policy Officers. These strengthened relationships will be invaluable as we continue to advocate for and advance child health initiatives. Through these efforts, we are not only addressing immediate health needs but also setting a strong foundation for future progress.

The voice of children and young people

We are ambitious about the role of children and young people within the College, with the RCPCH &Us network continuing to deliver a rights-based, high quality, meaningful and creative opportunities with the College. Since Sept 2023, over 2,560 children, young people and families have been involved in events, activities, consultations and projects delivered by the Children and Young People's Engagement Team. Over 3,160 hours have been volunteered by RCPCH &Us towards the College activity. In June 2024 they were celebrated through our Volunteers Week online event and RCPCH &Us Volunteers Awards – all planned and led by young people.

As well as an extensive online programme, we have visited over 25 locations across all four nations to work with children and young people. They have actively shared their views, hopes, ideas and aspirations on topics including mental health, climate change, clean air, long term conditions including epilepsy, asthma and diabetes, service integration, priorities for children and young people and have increased their awareness and understanding of children's rights.

RCPCH &Us volunteers have created podcasts on their experiences having health conditions, spoken at national Epilepsy12 conference about the intersectionality of epilepsy and led a creative and dynamic series of presentations and performances at the RCPCH Conference on children's rights, climate change, health inequalities and mental health. They have taken part in creative arts sessions to use alternative methods such as art or spoken word to share their health stories and put their skills into action, creating videos, poems and presentations for parliamentary receptions to share what matters to them with decision makers in all four nations.

Materials and resources have been created and insight has been shared to support the College Strategy development, Quality Improvement Projects, our audit programmes to improve care in epilepsy and asthma, the Clean Air Fund programme and the Blueprint for Child Health Services in England.

As part of our youth work principles to empower and educate through equal access and active participation, we have provided a number of learning and development programmes for children and young people this year. This includes training on facilitation, confidentiality, unconscious bias, interviewee/er skills, leadership skills and digital storytelling. We have also provided progression opportunities for different roles or activities within the College.

We have also worked closely with health care professionals, trusts, organisations and members to provide information, training, advice and guidance on children and young people engagement and rights through the Engagement Academy. This work has reached over 2,000 workers from different health disciplines including an innovative Epilepsy Impact and Influence programme supporting trusts in their engagement with children and young people, with training and support from 'RCPCH &Us' volunteers.

Our active collaboration with 'RCPCH &Us' volunteers, College members, RCPCH Staff and the sector continues to support children and young people to have their voices heard in issues that affect them (article 12) and the best health and health care possible (article 24) as part of our rights based approach. We ask that everyone implements these rights and act as a champion for children and young people in prioritizing engagement and participation in child health.

Equality, Diversity, and Inclusion (EDI)

In September 2023, we published a new strategic plan for this final year, known as "Making Equality, Diversity & Inclusion (EDI) everybody's business". Under this we have focused on a wider range of areas, working with teams across the College to embed EDI in processes and policies, and furthering work on differential attainment, reasonable adjustments, neurodiversity, and our reciprocal mentoring programme. This has included significant further work by our education and training team, including reviewing our theory question bank from an inclusivity perspective helped by British Association of Physicians of Indian Origin (BAPIO) and the British Medical Association (BMA).

A particular priority in our latest EDI programme was to increase the response rate to our diversity monitoring questions. Back in 2020, as part of our commitment to equality, diversity and inclusion, we pledged to start collecting and publishing information about the diversity of our membership, volunteers and senior volunteers on an annual basis. Before 2024, we only had a full diversity profile of around 9% of our membership. As of November 2023, members

are required to complete the diversity monitoring questions when logging into their RCPCH online account. As a result of this change, we now have a full diversity profile of around 68% of our membership. This significant increase in data allows us to further develop our understanding of our members and inform College activity to ensure all aspects of College life are as inclusive as they can be, in particular feeding in to our work on volunteering.

Work continues to ensure EDI is embedded as everybody's business across the organisation with the development of equality impact assessments for all College work, and a vision to have EDI included in every divisional operational plan.

Climate change action

This year marked the final year of climate change as a dedicated strategic project under the 21-24 College Strategy, with the work transitioning to business as usual within the College's Health Policy Team. We recruited our first Officer for Climate Change and were recognised for the second year running by the Climate and Health Scorecard, where we came out on top of the Royal College's for our climate advocacy. Looking internally, our journey to net zero continues, looking at reducing a wider range of emissions.

Our key activities across the year included publishing two new reports, one sharing the views and experiences of the impact of climate change from our international members from 50 countries, and the other, Preserving the World for Future Generations, sharing the views and voices of nearly 100,000 children and young people.

In terms of policy, we focused the second year of our #ShiftTheDial on health inequalities campaign on the intersection between health inequalities and climate change with a busy parliamentary event. This year we agreed changes to incorporate climate change into the paediatric curriculum, and continuing to support the Ride for Their Lives movement at our annual conference and beyond. Hundreds of local children and young people joined our Senior Officers, members and staff in a ride around Birmingham before our conference began, to raise awareness of the child health harms of air pollution.

Finally, we were delighted to secure a significant grant from the Clean Air Fund, which allowed us to focus on advocacy work on air pollution. Building on our wider climate change advocacy, our Clean Air Partnership Clinical Fellows have successfully positioned us as a leader in speaking about air pollution in relation to child health, and we sit across several strategic policy forums and coalitions bringing the paediatric voice to national and international policy-making. Key outputs from the team have been a comprehensive position statement on air pollution and development of the Air Pollution Companion, an advocacy and education resource for the child health community.

Strategic aim 4

Develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

Member representation and support

The college supports around 24,000 members worldwide. In 2023-24, we saw an overall 4.4% increase in membership, with international members growing by 2% across all membership types. Additionally, we've seen a significant rise in our Ordinary and Associate members.

By continuing to put our members first, supporting them, and ensuring their representation to policymakers in government and the NHS, we've been able to make strides in advancing paediatrics and child health.

Workforce planning and lifelong career support

Workforce planning and retention continue to be key issues facing paediatrics and a leading priority for the College. The GMC's National Training Survey 2024 showed 19% of paediatric trainees and 12% of paediatric trainers were at high risk of burnout, with 51% of paediatric trainees rating the intensity of their workload as very heavy or heavy. As a College, we have been unrelenting in highlighting to Government the ever-increasing strain that our members are facing, including presenting paediatrics-specific workforce data to the Darzi review, calling for a sustainable child health workforce as part of the RCPCH blueprint and ensuring national paediatrics data is regularly analysed and updated on the RCPCH online evidence library. This year, workforce planning resources have also been published on Consultant and SAS job planning, local Long Term Workforce Plan advocacy, self-rostering, and rostering for postgraduate doctors in training.

The revised Lifelong Careers in Paediatrics online resource includes a new area for Specialist, Associate Specialist and Specialty doctors, career development guidance for the consultant workforce, and a new retirement hub. The Thrive Paediatrics programme continues to explore the many multi-layered, multifaceted challenges that the paediatrics workforce is facing through the establishment of two Wellbeing and Innovation Network pilots and launch of the new RCPCH Learning Thrive resource hub with evidence, good practice examples and stories from paediatricians' lived experience in different formats, from articles to books, and podcasts to videos.

Applications for both ST1 and ST3 entry to the national paediatrics training programme continue to increase year on year with 2024 competition ratios of 3.30 at Round 1 and 7.06 at Round 2 respectively. For the first time since 2021, there was an 100% fill rate for ST1 and ST3 recruitment across the devolved nations, and a new sub-specialty online hub is now in development. The College's updated central Advisory Appointments Committee (AAC) process also continues to expand its reach and impact with around 200 AACs completed and/or in progress in 2024, and in a survey of current Medical Training Initiative (MTI) doctors, 96% of respondents would recommend the RCPCH MTI scheme to others.

Financial review

Introduction by Alison Steele, Treasurer

In 2023-24, the College faced similar financial challenges to many organisations across the UK with economic uncertainty, high inflation and geopolitical tensions dominating the headlines. A tight labour market, where unemployment is low and vacancies are difficult to fill, and concerns about the cost of living contributed to rising pressure on wage costs across the sector.

To navigate these challenges, it essential that the College continues to improve efficiency, embracing digital transformation whilst managing the financial risks carefully. Projects are already in progress to invest in systems to transform member services and upgrade reporting and assessment platforms. These significant investments will continue across the next couple of financial years partly funded by reserves but also by generating a surplus each year.

For 2023-24, the College reported an increase in income of 21.6% to £21.43m, an increase in expenditure before depreciation, amortisation and mortgage interest of 8.7% to £20.12m and moved from a significant deficit position in the previous year to generating a surplus before depreciation, amortisation and mortgage interest of £1.31m as summarised below:

£000s	General	Designated	Restricted & Endowment	2023/24 Total	2022/23 Total
Income	18,034	531	2,870	21,435	17,624
Expenditure (excluding depreciation and interest)	(17,120)	(178)	(2,823)	(20,121)	(18,507)
	-	-	-	-	-
Surplus before interest & depreciation	914	353	47	1,314	(883)
Depreciation and amortisation*				(545)	(535)
Mortgage interest				(84)	(58)
Net income before gains				685	(1,476)

* depreciation and amortisation are used to spread the cost of a fixed asset over their useful lives.

As a result, the College was able to maintain reserves in line with our policy, with 'free' unrestricted funds increasing to £4.93m. This is backed by an investment portfolio of £2.53m held with LGT Wealth and supported by a strong liquidity position with bank and cash resources of £8.23m.

We recognise the ongoing financial pressures on members and have a continued focus on maximising value for money whilst meeting our charitable objectives. As a college we are governed by our royal charter, which balances the needs to support our members, including trainees, alongside our broader charitable objectives which are aimed at improving child health in the UK and overseas.

We believe that membership of the college represents a compelling holistic offer as we seek to improve child health by providing education and training, producing guidance and quality standards and influencing stakeholders whilst always representing the voice of children and young people at the heart of all that we do.

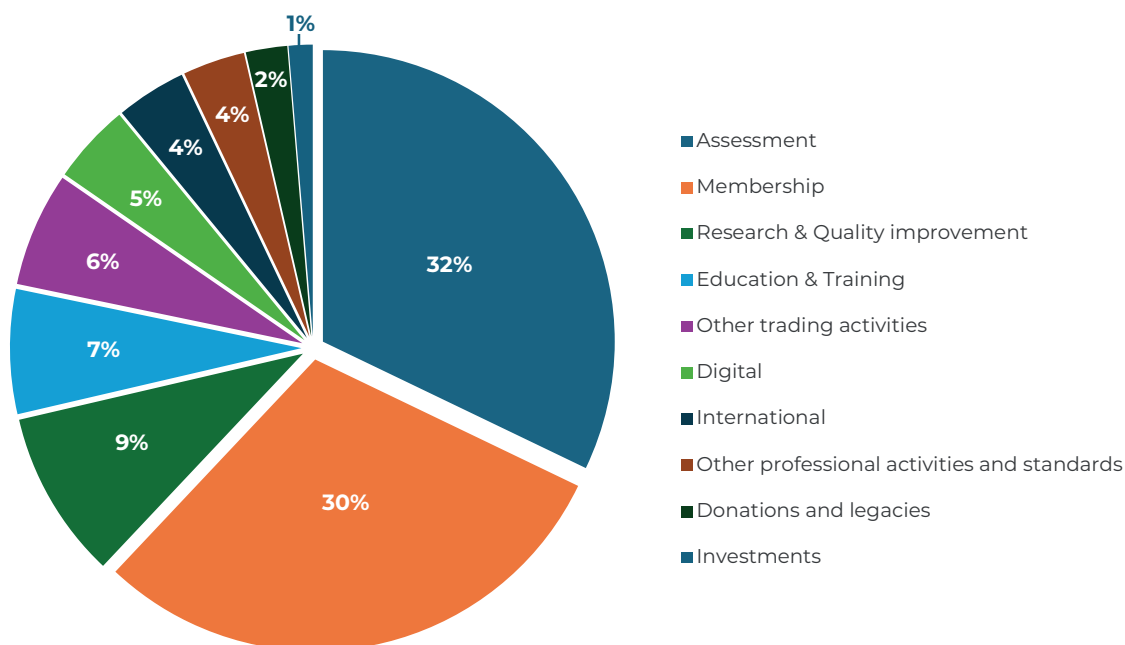
For the last 5 years we have had a key target of improving our diversified income and we are pleased that we have achieved 33% this year, exceeding the target of 29.6%, helping us to fund a greater proportion of our charitable activities independently of members. We are also on a multi-year journey to enhance our systems so that we will be better able to provide improved transparency to our members in relation to how their subscription, training and assessment fees are used.

My focus during my term as treasurer is to ensure that the College has a sustainable financial future, and the 2023-24 results go a long way to achieving that aim.

Income

The College's total income was £21.43m (22/23: £17.62m) of which £2.87m (22/23: £2.05m) has restrictions as to its use. Such restricted income is separately accounted for and unspent balances carried forward from year to year. Restricted funds unspent when a project is complete are available for return to the funder.

A summary of the income resources is below whilst full details can be found in the Statement of Financial Activities on Page 38.



During the year, the College received £491k (2022/23 £169k) from donations and legacies which included the following:

Gordon Denney	£400,000
RCPCH Publications	£90,000
Miscellaneous Donations	£1,000

In the 23/24 financial year, the College received the following grants in support of its activities which are included in a number of income categories:

AstraZeneca	£15,000
GSK	£20,000
NHSE	£28,916
Sanofi	£20,000
Vertex	£3,896

These grants and donations provided support for a number of projects including a commission on immunisation access, uptake and equity, and an epilepsy voice project with children and young people in the East of England. All offers of funding are reviewed under the 'RCPCH Policy for Accepting Donations/Funding' before acceptance.

In all fundraising activity, the College abides by all relevant regulation and codes and no fundraising complaints were received throughout the year. The College does not undertake fundraising through any third-party organisations.

Membership income increased by 13% from £5.67m to £6.41m mainly driven by the number of members increasing from 22,466 to around 24,000. This increase in numbers includes trainees studying and supports a 21% increase in assessment income up from £5.70m in 22/23 to £6.89m for the current year with Clinical Assessments seeing an 8% increase in candidate numbers from 2,049 in 22/23 to 2,211 in 23/24 and Theory and Standards a 14% increase in candidate numbers from 7,409 in 22/23 to 8,256 in 23/24.

Digital Income totals £949k (22/23: £1.2m) and includes £855k (22/23: £1.0m) in respect of the surplus due to the College from the joint venture to publish the Archives of Disease in Childhood (ADC). Most members receive this important and respected College publication as part of their membership and full access to the ADC website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Education and training income has increased by 11% from £1.33m in 22/23 to £1.48m in 23/24 and Income from Research and QI activities was up by £0.7m from £1.3m in 22/23 to £2.00m in 23-24 driven by new tranches of funding in support of the various projects.

Expenditure

Total expenditure has increased by £1.65m from £19.10m in 22/23 to £20.75m in 23-24, an 8.6% increase overall. Staff costs remain the highest proportion of overall expenditure and at £10.89m, represent 53% of the overall cost base of the College.

The non-staff direct costs are reflected in the table below with expenditure on membership and external affairs showing the largest increase following increase in recent years in the membership numbers and a commitment to deliver value for the subscriptions.

Direct expenditure increases in research and education and training reflect the increases in activity described in the income section.

£000s	23/24	22/23	Change
Staff costs	10,894	10,282	+6.0%
Education, training & assessment	2,835	2,680	+5.8%
Membership, policy and external affairs	1,445	1,133	+27.5%
International	963	1,079	-10.8%
Research and quality improvement	886	808	+9.7%
Other direct costs & overheads	3,727	2,525	+22.7%
Total expenditure (excluding depreciation and interest)	20,121	18,507	+8.7%
Depreciation & amortisation	545	535	+1.9%
Mortgage interest	84	58	+44.8%
Total Expenditure	20,750	19,100	+8.6%

Reserves policy

The General Funds include the “free” funds of the College which are not designated for a particular purpose or restricted in any way. Such funds need to be held as reserves to allow the college to respond appropriately to uncertain/unexpected events. Reserves for this purpose have been defined as general unrestricted income funds less the amount of tangible and intangible fixed assets, offset by the mortgage loan.

In 2022-23, there were a significant number of designated funds highlighting potential future expenditure. Due to the complexity of managing and tracking these types of funds, most of the designated fund expenditure will now be included in any future budgeting processes for general funds; therefore, the balances have been transferred back to general funds accordingly. The only remaining designated fund from the previous year is the overseas levy which is to fund the development of overseas activities.

Specific details of the designated funds and restricted reserves can be found in note 21a to the accounts.

The impact of those transfers on the opening balances and the calculation of “free” reserves is shown below:

£000s	General	Designated	Restricted	Total
Closing funds in 2022-23	1,888	18,172	2,410	22,470
Transfer of designated funds	18,100	(18,100)	-	-
Adjusted total reserves	19,988	72	2,410	22,470
Tangible assets	(16,670)			(16,670)
Intangible assets	(457)			(457)
Mortgage loan	1,440			1,440
Adjusted "Free" reserves 2022-23	4,301	72	2,410	6,783

The movement in free reserves for the year ended 31 August 2024 is summarised as follows:

£000s	General	Designated	Restricted	Total
Surplus before interest and depreciation	914	353	47	1,314
Additions to tangible fixed assets	(273)	-	-	(273)
Additions to intangible fixed assets	(82)	-	-	(82)
Loan repayment	(196)	-	-	(196)
Investment gains	269	-	-	269
Movement in free reserves	632	353	47	1,032
Free reserves brought forward	4,301	72	2,410	6,783
Free reserves carried forward	4,933	425	2,457	7,815

The total value of reserves at 31 August 2024 is supported by assets as follows:

£000s	General	Designated	Restricted	Total
Investments	2,529			2,529
Debtors	2,301			2,301
Bank & cash	5,352	425	2,457	8,234
Creditors < 1 year	(5,249)			(5,249)
"Free" reserves	4,933	425	2,457	7,815
Tangible assets	16,525			16,525
Intangible assets	412			412
Mortgage loan	(1,328)			(1,328)
Total funds	20,542	425	2,457	23,424

The reserves policy of the college was reviewed and updated in June 2023 when it was agreed that the minimum level of 'free' general reserves should not fall below £2.5m, roughly equivalent to 2 months operating expenditure at the time it was set.

Current 'free' reserves in the general fund sit at £4.93m, equivalent to just under 4 months operating expenditure at current levels and therefore above the minimum threshold.

The minimum level of reserves also includes the investment fund held with LGT wealth which totals £2.53m. In addition, liquidity, reported as bank & cash with a total of £8.234m shown above, will be maintained above the minimum value of the restricted plus 1 month's operating expenditure, a value of approximately £4m.

Investments

The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested and seeks to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling timeframe measured against the ARC Charity GBP Steady Growth ACI index.

The investment restriction will expressly avoid direct investments in companies which wholly operate in, or where a significant proportion of their revenue (typically 5% or more) is sourced from the following categories:

Tobacco	Child Labour
Alcohol	Formula Milk
Gambling	Weapons
Energy Drinks	Fossil Fuels
Adult Entertainment	Oppressive regimes

The College's investment portfolio, valued at £2.53m, is held with LGT Wealth Management with a maximum allocation in assets classes of 70% Equities, 40% Fixed Interest and 30% Alternatives. Over the 12-month period to 30 September 2024, the fund returned 15.74% against the benchmark return of 12.9%.

Cash held as working capital, is held in a mixture of deposit accounts with the Royal Bank of Scotland and a liquidity fund managed by ABRDN Investments.

Going concern

As required by the Charities Statement of Recommended Practice (FRS 102), we assess whether there are any uncertainties that may cast doubt over our ability to continue as a going concern. For this purpose, we focus on at least 12 months following the signing of these financial statements, which is to at least the end of March 2026.

During the year the trustees prepared a three-year budget for the period to 31 August 2027 which more than covers the minimum recommended requirement. Taking into account the current position and our principal risks highlighted on page 30, the trustees have a reasonable expectation that the College will be able to continue in operation and will be able to meet its liabilities as they fall due over the next year.

Therefore, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Plans for future periods

Throughout 2023 and 2024, we have worked closely with our membership, College leaders, College committees and children and young people to gather insights to develop our vision and strategic direction. In particular, our 2024 member survey has shaped this strategy. These elements have been the foundation of our strategy; enabling all those who are part of the College to share in delivering impact for our members and staff, in our mission to support children and young people.

We have focused on how our members' needs and priorities tie into the College's role as a strong advocate for children and young people, and anticipated what the world might look like leading up to 2034. From this we have developed four three-year strategic goals that begin a 10 year strategic outlook. The first three years, 2024-27, focus on our UK and international membership, the workforce of the UK and embedding more voices of children and young people in our own work and across the sector.

2024-27 Strategy

Working together and with members and children and young people, we have developed strategic goals that are practical, progressive, and have distinct outcomes.

These goals will guide us throughout the 10-year strategic outlook, alongside our values, they will make sure we always remain true to our vision. These are supported by our enablers and they set, guide and monitor specific outcomes, activities and objectives:



RCPCH
Strategy
2024-2027

Our vision is:
A world where every child is healthy and well.

Our mission is to:
Advance child health practice, shape policy, set educational standards and empower paediatricians. We are led by insights from our members, children and young people.



RCPCH
Royal College of
Paediatrics and Child Health
Leading the way in Children's Health

GOAL 1 The size, skill and welfare of the UK child health workforce are prioritised by senior NHS decision makers to meet the needs of children and young people across the four nations.



- ★ Members can access our expanded e-learning capabilities that include new formats and subjects, including clinical subjects and also training in research, leadership and management
- ★ An increased proportion of our members are actively accessing our training resources (including signposting), skills roadmaps, and CPD planning and management
- ★ Due in part to our support of members and influence on their behalf, there is a reversal in current data trends in General Medical Council workforce modelling and membership surveys that show increasing mental health concerns and burnout in paediatrics
- ★ Progress+ allows more training journeys for paediatric doctors to be designed flexibly to their needs and is underpinned by a refreshed and progressive assessment strategy
- ★ College examinations are redeveloped using the best in digital and educational structures and access to flexible and digital education and resources are maintained to at least the same level as post-pandemic

GOAL 3 Research, evidence and clinical standards improve safety and child health outcomes.



- ★ The NHS in every UK nation has clear child health considerations in their workforce plans
- ★ Our Children and Young People Engagement standards are recognised across the sector
- ★ Members are learning and supporting each other to improve safety and Quality Improvement
- ★ Members can access a library of up to date resources, information and resources to enable participation in research throughout their career
- ★ We are a recognised source of authoritative, robust and accurate data that supports research and advocacy in child health

GOAL 2 Child health is at the centre of decision-making across the four nations.



- ★ Cabinet-level Ministers for Children are in every UK nation (or equivalent within each devolved structure)
- ★ Child health impact assessments are used in the development of relevant government policies
- ★ Governments across the four nations use indicators of child health to track progress
- ★ Our well-recognised RCPCH brand continues to be trusted and respected among members and policymakers
- ★ The NHS in every UK nation has clear child health considerations in their workforce plans

GOAL 4 RCPCH has an international impact in paediatrics and child health.



- ★ Reduced rates of maternal, newborn and child mortality within the global settings where we are working
- ★ Increased access to clinical examinations and learning opportunities for international members, increasing knowledge and child health expertise
- ★ Members have recognised nomenclature that is synonymous with successful completion of the three College Theory Exams

These three enablers run through our four strategic goals:

1. Improving our membership experience.
2. Improving the offer for members with College roles and staff.
3. Enabling efficiencies and diversifying our income.

People

Pay

The College is an equal opportunities employer and analyses pay transparency annually to ensure that all staff are treated fairly; this applies to all staff regardless of Band as well as senior executive pay. This includes analysing pay by each of the protected characteristics and comparing the figures with the previous two years to identify and adverse trends.

The College has a KPI of 25% of roles band D and above filled by staff from Black and other ethnic minority backgrounds. The outturn for 2023/24 was 27%.

Equality, Diversity and Inclusion

The College has continued with its commitment to equality, diversity and inclusion. This commitment includes signing up to the Menopause Pledge, providing information awareness sessions and signposting staff to appropriate resources. Each cloakroom also has emergency sanitary products for use. The College also grants up to 5 working days each year for menopause leave to help retain skilled members of staff across the College and ameliorate the impact this transition can have on female members of staff. The College is also working towards developing a neuroinclusive culture. This includes training for managers, providing workplace assessments to ensure staff who may be neuro-diverse receive appropriate support as well as assistive technology to help them with their work. Work is underway to developing neuroinclusive guides for managers, recruitment and internal communications for launch in Q2 of 2024/25.

The College also enhanced its provision for maternity, adoption, surrogacy and paternity pay. The approach to supporting staff with managing their families alongside work was further enhanced with the introduction of a policy on breastfeeding and/or expressing milk at work together with facilities for staff to be able to access while working from the office. The College also recognises that for some members of staff their pregnancies may end in miscarriage or still birth. The College introduced a specific policy outside of the new Child Policy to deal with these situations sensitively. The policy includes four weeks paid leave for anyone who suffers the loss of a child during pregnancy, whether it happens directly to them, their partner or their baby's surrogate mother. The College also has spare clothing, and toiletry packs available for anyone who experiences a miscarriage while at work.

Values

We are One College, One Team and our Values radiate through our day to-day activities from partnering with College members and children and young people to influence child health policy, to supporting staff with leadership and career opportunities.

I include	I will treat others fairly and with respect, ensuring that my behaviour is appropriate at all times. I will value individual differences, perspectives and contributions
I influence	I act with integrity, being open and honest, checking and challenging my behaviour and practices to improve working practices, and advance the work of the College
I innovate	I aim for quality in everything I do, take pride in my work to have the greatest impact on the services provided by the College
I inspire	I will be inspired by and open to possibilities, seeking to first understand the ideas of others. I will have the courage to embrace change and openly share my ideas freely with others to improve the way we work

A comprehensive Values and Behaviours framework has been introduced to facilitate a working environment of mutual respect. This work followed Values workshops in early 2024 which were mandatory for all staff. This work, in conjunction with many other people initiatives has had a positive influence on the culture of the College.

The College also introduced a bespoke People Performance Management Programme for all managers in 2024. The first cohort to complete the programme reported the learning will help them to manage staff more efficiently and effectively including handling difficult conversations.

Volunteers

The College is reliant on a considerable number of volunteers, estimated to be over 4,000, to achieve its objectives and we are incredibly grateful and indebted to the many individuals who serve in many capacities. This includes the children, young people, parents and carers that form our 'RCPCH &Us' network, the many clinicians that sit on our over seventy committees, our trustees and those members that act as UK and overseas examiners, tutors, regional advisers or assessors.

These volunteers provide many hours' work towards achieving the charitable objectives of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related.

Structure, governance and management

Objects and activities

Purposes and aims

The Royal College of Paediatrics and Child Health (RCPCH) was established in 1996 under a Royal Charter, which established the objects and powers of the College. The College is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The most recent major changes to these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

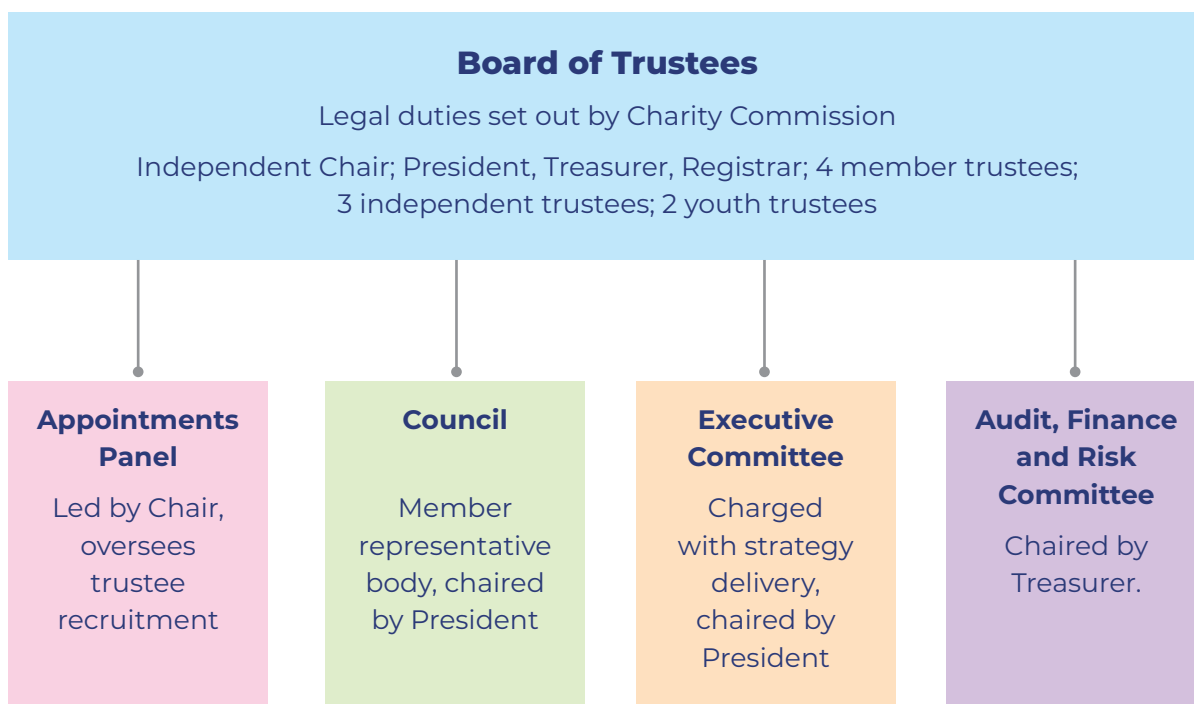
- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping the College's objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance Public benefit: running a charity (PB2) and The Essential Trustee (CC3).

The trustees delegate day-to-day management of the charity to the Chief Executive Officer (CEO), and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees.

The senior committees of the College set out in the Bye-laws are as follows:



In addition, although not specified in the Bye-laws, the People and Remuneration Committee – which reports to the Board and is chaired by one of the independent trustees – agrees policies affecting staff and changes in remuneration, including for senior staff.

The College also has two related undertakings: British Paediatric Services Ltd (100% stake) and RCPCH Publications Ltd (50% stake). The results of these subsidiaries are consolidated in the group financial statements. Further details are given below under 'Subsidiary Undertakings'.

All trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Any expenses reclaimed from the charity by trustees are set out in note 6 to the accounts. Trustees are permitted by the Royal Charter to receive remuneration for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 6 to the accounts.

An external governance review was conducted in 2024 to ensure that the College's senior committees (including the Board of Trustees) were operating as effectively as possible. The recommendations from this review, proposing, in particular, some reforms to the way in which Executive Committee operates, were approved in summer/autumn 2024. The implementation will now proceed in the early part of 2025.

Trustees

Under the governing documents, two of the trustee posts (President and Registrar) are appointed via election by eligible College members. All other trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector. In the year to 31 August 2024 there were new trustees elected to the roles of President and Registrar (respectively Prof Steve Turner and Dr Jan Dudley) as well as appointments to trustee roles of Treasurer (Dr Alison Steele), Member Trustee (Dr Sunil Bhopal), Independent Trustee (James Siswick) and Youth Trustee (Iman Osman).

All trustees receive an induction upon appointment. In addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document The Essential Trustee (CC3).
- The College's governing and management structures, and its strategy and workplan.
- The College's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

In addition, trustees are offered appropriate training and development opportunities throughout their term. In the year under review, there has been a particular focus on ensuring a common approach to finance issues across the Board, with finance training being offered to all trustees.

The Trustees as at 31 August 2024 were as follows:

Ms Joanne Shaw	Chair
Professor Steve Turner	President
Dr Jan Dudley	Registrar
Dr Alison Steele	Treasurer
Professor Sir Terence Stephenson	Member Trustee
Dr Tsitsi Chawatama-Kwambana	Member Trustee
Dr Bhanu Williams	Member Trustee
Dr Sunil Bhopal	Member Trustee
Mr Simon Meredith	Independent Trustee
Mr Adam Igra	Independent Trustee
Mr James Siswick	Independent Trustee
Mr Taona Makunganya	Youth Trustee

The following trustees served during the year, but were not members of the Board when this report was signed:

Dr Camilla Kingdon	President, demitted on 26 March 2024
Dr Elizabeth Marder	Treasurer, demitted on 23 January 2024
Ms Sarah Watson	External Trustee, resigned on 30 March 2024

The following trustees were appointed subsequent to the end of the financial year:

Ms Iman Osman	Youth Trustee, appointed 27 September 2024
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Senior Leadership Team

At 31 August 2024, the members of the senior management team are as follows:

Robert Okunnu	Chief Executive Officer
Emily Arkell	Executive Director of Research and Quality Improvement
Louise Beauchamp	Executive Director of People and Culture
Paul Marchant	Executive Director of Corporate Services (resigned 31 October 2024)
Richard Burley	Executive Director of Digital
Daniel Waeland	Executive Director of Education and Training
Lizzie Dowd	Executive Director of Membership, Policy and External Affairs (from 13 September 2023)

Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Leadership Team. The Audit, Finance and Risk Committee has continued to develop its risk oversight, having deeper, more meaningful reports on fewer risks and explorational conversations about emerging risks for the College.

Risks	Mitigation
Capacity of staff and members with College roles to deliver our strategy	The Senior Leadership Team have continued to monitor areas of decreased capacity across the College. The new College strategy is reliant on cross Divisional working and completion of the 'Work Smarter' initiative which is a long term project to identify, review and rewrite inefficient processes to create further internally capacity. The College is ambitious and recognises the huge value of its staff and members with College roles in creating impact for child health. A focus on cross-divisional collaboration and the 'NCVO review of volunteers' are critical components in mitigating this risk and enhancing internal resource alongside the 'Work Smarter' initiative which will streamline ineffective processes.
Cyber security threat	The College is engaged in extensive ongoing efforts to uphold best practice in the management of all its systems, services and data. We take a robust approach to the security of all Digital systems, with full oversight of all mitigating measures implemented to prevent and / or manage cyber security threats and incidents. However, due to the nature of the modern world, cyber security must remain a primary risk for the foreseeable future.
Appropriate escalation of safeguarding incidents	During 2024, the College created a senior Safeguarding role reporting directly to a Senior Leadership Team Director and linked into the Senior Officers and trustees. A full audit of safeguarding activity and experiences has been undertaken and an action plan will be delivered during 2024/25 to mitigate risk in this area.

Risks	Mitigation
Reputational damage to the College	The College actively monitors and mitigates reputational risks through the operational risk register. Regular reviews and transparent communications are employed to address potential issues swiftly. Trustees, Senior Officers, and the Senior Leadership Team are convened frequently to ensure prompt decision-making and implementation of lessons learned. The College remains committed to maintaining trust and upholding its reputation among all stakeholders.
Long-term financial sustainability of the College	The College has made strides in its financial literacy, moving to a three year budgeting process to provide a long term view on finance and linking this to the activity underpinning the delivery of the strategy. The Board of Trustees have oversight of the long term reserves position, they review different financial scenarios to understand how decisions made in the short term affect the long term sustainability of the College.

Risk management is flagged to new trustees during their induction process as one of their major responsibilities. During the year, the trustees spent time mapping out potential future risks through a horizon scanning session.

The risk register is maintained by the Chief of Staff and reviewed quarterly by the Senior Leadership Team through the mechanism of a Quarterly Business Review. These risks are then considered by the Audit, Finance and Risk Committee (AFRC) and a verbal report is provided by the AFRC Chair to the subsequent Board of Trustees meeting.

Risk is managed across the College and risks are assigned a suitable owner who is responsible for implementing appropriate mitigation. They monitor the ultimate impact of a risk and forecast how different actions can reduce the impact. These are then put in place as an action plan.

Statement of Trustees' responsibilities

The trustees 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).

The Charities Act 2011 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 charity and group and of the incoming resources and application of resources, including the income and expenditure, of the charity or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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 Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of our Charter and Statutes. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's auditor is 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 auditor is aware of that information

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

Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware, and
- the trustees have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The trustees' annual report has been approved by the Board of Trustees and signed on their behalf by

Joanne Shaw
Chair of Trustees

Dr Alison Steele
Treasurer

Approved on: 13 March 2025

Independent Auditors' report to the Members and Trustees of The Royal College of Paediatrics and Child Health

Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health (the 'parent charity') for the year ended 31 August 2024 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 group and parent charity's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Royal College of Paediatrics and Child Health'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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, internal audit and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's/ group'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 group 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 group 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 parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP, Statutory Auditor
Invicta House, 110 Golden Lane, London, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities

For the year ended 31 August 2024

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000
Income from:									
Donations and legacies		441	50	–	491	167	2	–	169
Charitable activities									
Membership		6,325	81	–	6,406	5,551	114	–	5,665
Assessment		6,889	–	–	6,889	5,712	–	–	5,712
Digital		860	89	–	949	1,107	94	–	1,201
Education & Training		1,481	–	–	1,481	1,331	4	–	1,335
Research & QI		18	1,981	–	1,999	–	1,309	–	1,309
International		181	653	–	834	133	514	–	647
Other professional activities and standards		740	–	–	740	632	–	–	632
Other trading activities		1,346	16	–	1,362	750	14	–	764
Investments	2	284	–	–	284	190	–	–	190
Total income		18,565	2,870	–	21,435	15,573	2,051	–	17,624
Expenditure on raising funds									
Fundraising trading	4	208	–	–	208	96	–	–	96
Charitable activities									
Membership	4	1,026	–	–	1,026	963	–	–	963
Assessment	4	2,221	–	–	2,221	2,472	–	–	2,472
Digital	4	1,748	98	–	1,846	1,664	–	–	1,664
Education & Training	4	4,524	48	–	4,572	3,878	73	–	3,951
Research & Quality Improvement	4	1,326	1,491	–	2,817	1,594	1,499	–	3,093
Policy and External Affairs	4	2,935	114	–	3,049	2,401	1	–	2,402
International	4	442	972	–	1,414	500	1,025	–	1,525
Other professional activities and standards	4	3,497	100	–	3,597	2,835	99	–	2,934
Total expenditure		17,927	2,823	–	20,750	16,403	2,697	–	19,100
Net income / (expenditure) before net gains / (losses) on investments		638	47	–	685	(830)	(646)	–	(1,476)
Gains / (losses) on investments	12	269	–	–	269	(114)	–	–	(114)
Net income / (expenditure) for the year	5	907	47	–	954	(944)	(646)	–	(1,590)
Transfers between funds		–	–	–	–	(51)	51	–	–
Net income / (expenditure) before other recognised gains and losses		907	47	–	954	(995)	(595)	–	(1,590)
Gains / (losses) on revaluation of fixed assets		–	–	–	–	–	–	–	–
Other gains / (losses)		–	–	–	–	–	–	–	–
Net movement in funds		907	47	–	954	(995)	(595)	–	(1,590)
Reconciliation of funds:									
Total funds brought forward		20,060	2,395	15	22,470	21,055	2,990	15	24,060
Total funds carried forward		20,967	2,442	15	23,424	20,060	2,395	15	22,470

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 20a to the financial statements.

Balance sheet

As at 31 August 2024

		The group		The charity	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	10	16,525	16,670	16,525	16,670
Intangible assets	11	412	457	412	457
Investments	12	2,529	2,214	2,529	2,214
		19,466	19,341	19,466	19,341
Current assets:					
Debtors	15	2,301	1,512	2,243	1,366
Cash at bank and in hand		8,234	8,568	7,571	8,120
		10,535	10,080	9,814	9,486
Liabilities:					
Creditors: amounts falling due within one year	16	(5,424)	(5,686)	(5,301)	(5,466)
Net current assets / (liabilities)		5,111	4,394	4,513	4,020
Total assets less current liabilities		24,577	23,735	23,979	23,361
Creditors: amounts falling due after one year	18	(1,153)	(1,265)	(1,153)	(1,265)
Net assets		23,424	22,470	22,826	22,096
Funds:	21a				
Restricted and endowment funds		2,457	2,410	2,457	2,410
Unrestricted income funds:					
Designated funds		425	18,172	425	18,172
General funds		20,542	1,888	19,944	1,514
Total unrestricted funds		20,967	20,060	20,369	19,686
Total funds		23,424	22,470	22,826	22,096

Approved by the trustees on 13 March 2025 and signed on their behalf by

Joanne Shaw
Chair of Trustees

Dr Alison Steele
Treasurer

Consolidated statement of cash flows

For the year ended 31 August 2024

Note	2024	2023	
	£'000	£'000	£'000
Cash flows from operating activities			
Net income for the reporting period	954	(1,590)	
(as per the statement of financial activities)			
Depreciation charges	545	535	
(Gains)/losses on investments	(269)	114	
Dividends and interest from investments	(284)	(190)	
Mortgage interest payable	84	58	
(Increase)/Decrease in debtors	(789)	667	
(Decrease)/Increase in creditors	(262)	837	
Net cash provided by operating activities		(21)	431
Cash flows from investing activities:			
Dividends and interest from investments	284	190	
Net movement on cash in investment portfolio	144	(181)	
Purchase of tangible fixed assets	(273)	(185)	
Purchase of intangible fixed assets	(82)	(146)	
Purchase of investments	(727)	(134)	
Disposals of Investments	537	277	
Net cash (used in) investing activities		(117)	(179)
Cash flows from financing activities:			
Repayments of borrowing	(196)	(210)	
Net cash (used in) financing activities		(196)	(210)
Change in cash and cash equivalents in the year		(334)	42
Cash and cash equivalents at the beginning of the year		8,568	8,526
Cash and cash equivalents at the end of the year		8,234	8,568

	At 1 September 2023 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 August 2024 £'000
a Changes in Cash and Cash Equivalents				
Cash at bank and in hand	8,568	(334)	-	8,234
Total cash and cash equivalents	8,568	(334)	-	8,234

	At 1 September 2023 £'000	Cash flows £'000	Other non- cash changes £'000	At 31 August 2024 £'000
b Changes in Net Debt				
Loans falling due within one year	175	-	-	175
Loans falling due after more than one year	1,265	(196)	84	1,153
Total Net Debt	1,440	(196)	84	1,328

Notes to the financial statements

For the year ended 31 August 2024

1 Accounting policies

a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

b) 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 Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees have considered the financial position of the College recognising its healthy cash position. They have evaluated the risks that it faces and continue to hold the view that there are no material uncertainties around going concern over the next 12 months.

Notes to the financial statements

For the year ended 31 August 2024

1 Accounting policies (continued)

e) 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.

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legacies are recognised when the income is probable and can be measured sufficiently reliably.

f) 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.

g) Fund accounting

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

Notes to the financial statements

For the year ended 31 August 2024

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	11.9%
● Assessment	17.9%
● Digital	7.5%
● Education and Training	19.1%
● Research & Quality Improvement	19.2%
● Policy & External Affairs	12.5%
● International	5.4%
● Other professional activities	6.6%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

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

m) Tangible and intangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation (and amortisation of intangible assets) costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Fixtures	5 years
● Office equipment	10 years
● Fittings and Refurbishment	10 years
● IT hardware	3 years
● Website	7 years
● Building	50 years
● Intangibles – Database & Software	5–7 years

n) Investments

Listed 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. 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.

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31 August 2024

1 Accounting policies (continued)

o) 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.

p) 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.

q) 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.

r) Financial instruments

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.

s) Pensions

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

2 Income from investments

	2024 Total £'000	2023 Total £'000
Dividends Received	61	47
Interest on Investment Portfolio	1	1
Interest on Bank Deposits	222	142
	284	190

All income from investments is unrestricted.

3 Grants

Included within total restricted income are grants from government and government agencies totalling £441k.

	2024 Total £'000
Restricted Income from Group and Charity	2,631
Grants	50
Donations	81
Visiting Fellows Scheme – 2% Levy	88
Research Income	20
Other Income	
	2,870

Notes to the financial statements

For the year ended 31 August 2024

4a Analysis of expenditure (current year)

	Charitable activities												
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	2024 Total £'000	2023 Total £'000
Staff costs	–	250	503	1,049	2,571	1,472	1,797	321	2,931	–	–	10,894	10,282
Other direct costs	208	492	1,290	617	1,545	886	953	963	475	16	–	7,445	6,609
<i>Other allocated costs:</i>	–	–	–	–	–	–	–	–	–	–	–	–	–
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	748	748	765
Information and technology	–	–	–	–	–	–	–	–	–	–	390	390	307
Finance	–	–	–	–	–	–	–	–	–	–	716	716	319
Corporate services	–	–	–	–	–	–	–	–	–	–	557	557	818
	208	742	1,793	1,666	4,116	2,358	2,750	1,284	3,406	16	2,411	20,750	19,100
Support costs	–	284	428	180	456	459	299	130	175	–	(2,411)	–	–
Governance costs	–	–	–	–	–	–	–	–	16	(16)	–	–	–
Total expenditure 2024	208	1,026	2,221	1,846	4,572	2,817	3,049	1,414	3,597	–	–	20,750	19,100
Total expenditure 2023	96	963	2,472	1,664	3,951	3,093	2,402	1,525	2,934	–	–	–	19,100

* This includes Corporate Services, HR and CEO divisions

Notes to the financial statements

For the year ended 31 August 2024

4b Analysis of expenditure (prior year)

	Charitable activities										2023 Total £'000	
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000		Support costs £'000
Staff costs	–	234	461	949	2,466	1,862	1,460	326	2,524			10,282
Other direct costs	96	467	1,616	549	1,064	808	666	1,079	247	17		6,609
<i>Other allocated costs:</i>												
Premises & Facilities											765	765
Information and technology											307	307
Finance											319	319
Corporate services											818	818
	96	701	2,077	1,498	3,530	2,670	2,126	1,405	2,771	17	2,209	19,100
Support costs	–	262	395	166	421	423	276	120	146	–	(2,209)	–
Governance costs	–	–	–	–	–	–	–	–	17	(17)	–	–
Total expenditure 2023	96	963	2,472	1,664	3,951	3,093	2,402	1,525	2,934	–	–	19,100

* This includes Corporate Services, HR and CEO divisions

Notes to the financial statements

For the year ended 31 August 2024

5 Net income / (expenditure) for the year

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation/Amortisation	545	535
Interest payable	84	58
Operating lease rentals:		
Property	-	-
Other	15	12
Auditor's remuneration (excluding VAT):		
Audit	58	26
Other services	-	-
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	9,138	8,537
Social security costs	1,008	969
Employer's contribution to defined contribution pension schemes	705	658
Redundancy and termination costs	43	118
	<u>10,894</u>	<u>10,282</u>

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	23	17
£70,000 – £79,999	8	6
£80,000 – £89,999	2	2
£90,000 – £99,999	1	1
£100,000 – £109,999	2	1
£110,000 – £119,999	-	1
£120,000–£129,000	1	1
£150,000–£159,000	1	-
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £1,095,486 (2023: £1,093,643). No trustee received any remuneration as part of this figure.

No (2023: none) trustees received payment (2023: £nil) in relation to work carried out under the Invited Review programme. No other trustees either received or waived any emoluments during the year (2023: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £13,840 (2023: £7,783) incurred by 7 (2023: 4 members) relating to attendance at meetings of the trustees and the annual conference.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities. The gender split in the College workforce is 75% female 25% male (2023: 69% female, 31% male) and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

Notes to the financial statements

For the year ended 31 August 2024

7 Staff numbers

The average number of employees during the year was 198 (2023: 190) on a head count basis and 185 (2023: 175.8) on a full time equivalent basis.

Staff are split across the activities of the charity as follows (head count basis):

	2024	2023
Membership	5.0	3.8
Policy & Ext Affairs	33.7	27.0
Examinations	10.0	9.7
Education & Training	37.1	44.8
Research & QI	43.8	44.0
International	5.6	5.0
Digital	15.4	12.0
Support	47.6	43.3
	198.2	189.6

8 Related party transactions

The details of related party transactions with Trustees are set out in Note 6 under trustee expenses

The details of related party transactions with the subsidiary and associated undertakings are set out in Note 13.

In addition, 7 trustee roles are set aside for members (in line with the College's governing documents). These

No further related party transactions were noted.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2024 £'000	2023 £'000
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 August 2024

10 Tangible fixed assets

The group and college

	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
Cost or valuation				
At the start of the year	1,389	592	16,799	18,780
Additions in year	123	150	-	273
Disposals in year	-	-	-	-
At the end of the year	1,512	742	16,799	19,053
Depreciation				
At the start of the year	1,084	82	944	2,110
Charge for the year	158	24	236	418
Loss on impairment	-	-	-	-
Eliminated on disposal	-	-	-	-
At the end of the year	1,242	106	1,180	2,528
Net book value: At the end of the year	270	636	15,619	16,525
At the start of the year	305	510	15,855	16,670

Land with a value of £5,000,000 (2023: £5,000,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2023 – £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

The freehold property 5–11 Theobalds Road is included in the balance sheet at cost. The College's freehold premises were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4.0m mortgage loan with the Royal Bank of Scotland plc to fund the purchase. Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m.

A valuation of the premises carried out by Knight Frank in July 2019 set the fair value at £16.8m and the related impairment was reflected in that year's accounts. In July 2022 the building was again valued by Knight Frank giving a fair value of £16.5m, with no further impairment being suffered as the College now depreciates the building and its' book value is below this valuation. The next valuation is due in 2027.

Trustees expect that the property's value will exceed cost within the lifetime of its ownership by the College and the cost of obtaining a market valuation more than outweighs any related benefit. Therefore, no valuation has been obtained. Although its current market valuation is considered by the Trustees to be below cost, the market value is expected to rise over its lifetime so this is not expected to be a permanent situation.

Notes to the financial statements

For the year ended 31 August 2024

11 Intangible fixed assets

The group and college Cost	IT Software £'000	Total £'000
At the start of the year	1,115	1,115
Additions in year	82	82
Disposals in year	–	–
At the end of the year	1,197	1,197
Amortisation		
At the start of the year	658	658
Charge for the year	127	127
Eliminated on disposal	–	–
At the end of the year	785	785
Net book value:		
At the end of the year	412	412
At the start of the year	457	457

12 Listed investments

	The group and charity 2024 £'000	2023 £'000
Fair value at the start of the year	2,013	2,270
Additions at cost	727	134
Disposal proceeds	(537)	(277)
Net gain / (loss) on change in fair value	269	(114)
	2,472	2,013
Cash held by investment broker pending reinvestment	57	201
Fair value at the end of the year	2,529	2,214
	2024 £'000	2023 £'000
Aberdeen Money Market	28	237
Gilts	184	150
Listed shares on stock exchange	2,260	1,626
	2,472	2,013
Cash	57	201
	2,529	2,214

Notes to the financial statements

For the year ended 31 August 2024

13 Subsidiary and associate undertakings

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Alison Steele is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians. It also manages all commercial activities of the College which includes rental income.

	2024		2023	
	RCPCH Publications £'000	BPSL £'000	RCPCH Publications £'000	BPSL £'000
Turnover	226	865	240	496
Cost of sales and administrative expenses	(50)	(278)	(39)	(170)
Operating profit	176	587	201	326
Interest receivable	4	9	1	3
Net profit	180	596	202	329
Charitable trading funds				
Balance at 1 September	4	329	4	159
Net profit	180	596	202	329
To be gifted to College for year ended 31 August	(90)	(329)	(101)	(159)
To be gifted to NPPG for year ended 31 August	(90)	-	(101)	-
Balance at 31 August	4	596	4	329

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2023- £42,000) for College staff, newsletter advertising and facilities used.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £'000	2023 £'000
Gross income	21,005	17,123
Result for the year	729	(1,804)

Notes to the financial statements

For the year ended 31 August 2024

15 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	842	607	681	375
Other debtors	7	3	4	3
Amounts due from associated undertakings	136	(50)	302	112
Prepayments	611	298	611	298
Accrued income	705	654	645	578
	2,301	1,512	2,243	1,366

16 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Mortgage loan	175	175	175	175
Trade creditors	445	542	444	542
Taxation and social security	389	331	397	306
Other creditors	98	148	91	147
Accruals	591	290	550	286
Deferred income (Note 17)	3,726	4,200	3,644	4,008
	5,424	5,686	5,301	5,465

17 Deferred income

Deferred income comprises membership subscriptions, examination income and invoices from other services.

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	4,200	3,329	4,008	3,217
Amount released to income in the year for Membership subscriptions	(1,421)	(3,573)	(1,421)	(3,571)
Amount released to income in the year for Exams and other Income	(2,779)	(6,669)	(2,587)	(6,670)
Amount deferred in the year	3,726	11,113	3,644	11,032
Balance at the end of the year	3,726	4,200	3,644	4,008

18 Creditors: amounts falling due after one year

	The charity	
	2024	2023
	£'000	£'000
Mortgage loan	1,153	1,265
	1,153	1,265
Analysis of mortgage loan repayable within 12 months		
Within 12 months	175	175
	175	175

Notes to the financial statements

For the year ended 31 August 2024

18 Creditors: amounts falling due after one year (continued)

Analysis of mortgage loan not wholly repayable within 5 years by instalments

In more than one year but not more than two years	175	175
In more than two years but not more than five years	522	522
In more than five years	456	568
	1,153	1,265
Total Loan Repayable	1,328	1,440

Interest was charged at 6.40% on the first £2,500,000 for the period to 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £704,109 (2023:£658,432).

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	16,525				16,525
Intangible assets	412				412
Investments	2,529				2,529
Net current assets	2,229	425	2,442	15	5,111
Long term liabilities	(1,153)				(1,153)
Net assets at 31 August 2024	20,542	425	2,442	15	23,424

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets		16,670			16,670
Intangible assets		457			457
Investments		2,214			2,214
Net current assets	1,888	96	2,395	15	4,394
Long term liabilities		(1,265)			(1,265)
Net assets at 31 August 2023	1,888	18,172	2,395	15	22,470

Notes to the financial statements

For the year ended 31 August 2024

21a Movements in Funds (current year)

	At 1 September 2023 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2024 £'000
<u>Permanent Endowment Funds</u>					
Permanent Endowment Funds	15	-	-	-	15
Total Endowment Funds	15	-	-	-	15
<u>Restricted Funds</u>					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	(1)	-	20
Policy & External Affairs Funds	48	149	(113)	-	84
Non-Permanent Endowment Fund	92	-	-	-	92
Child Health Research Fund	34	-	-	-	34
Child Health Futures	-	3	-	-	3
Fundraising	26	9	-	-	35
International Projects	73	1,208	(910)	-	371
El Shamy Bequest	548	-	(63)	-	485
Other Education & Training Funds	179	155	(85)	-	249
Research & QI Funds	824	1,239	(1,403)	(45)	615
Gordon Denney Bequest 2024	-	50	-	-	50
RCPCH contribution to Newlife	45	45	(88)	45	47
Royalties from PCHR	368	-	-	-	368
Other Digital Funds	27	-	(97)	-	(70)
CYP Participation	80	12	(63)	-	29
Total Restricted	2,395	2,870	(2,823)	-	2,442
<u>Unrestricted Funds</u>					
<u>Designated Funds</u>					
International Training Fund	12	-	-	(12)	-
Overseas Levy	72	181	(178)	-	75
CPD Diaries Fund	(21)	-	-	21	-
Exam Booking System Fund	22	-	-	(22)	-
Diabetes QAQI	1	-	-	(1)	-
R&QI Project Work	50	-	-	(50)	-
Gordon Denney Bequest 2024	-	350	-	-	350
Committed Expenditure Fund	45	-	-	(45)	-
General Donations Fund	73	-	-	(73)	-
Writing Down Reserve	977	-	(308)	(669)	-
Charitable Trading Subsidiary Fund	-	-	-	-	-
Building Fund	14,230	-	(236)	(13,994)	-
Infrastructure Fund	1,147	-	(180)	(967)	-
Strategy Fund	950	-	1	(951)	-
Paediatrics 2040	138	-	-	(138)	-
Flexible Project Fund	335	-	(40)	(295)	-
Holiday Pay Accrual Fund	109	-	-	(109)	-
Investments	32	-	-	(32)	-
General Funds	1,888	18,303	(16,986)	17,337	20,542
Total Unrestricted Funds	20,060	18,834	(17,927)	-	20,967
Total Funds	22,470	21,704	(20,750)	-	23,424

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 August 2024

21b Movements in Funds (prior year)

	At 1 September 2022 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2023 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	-	-	-	15
Total Endowment Funds	15	-	-	-	15
Restricted Funds					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	-	-	21
Policy & External Affairs Funds	41	8	(1)	-	48
Non-Permanent Endowment Fund	92	-	-	-	92
Child Health Research Fund	34	-	-	-	34
Fundraising	18	8	-	-	26
International Projects	376	722	(1,025)	-	73
El Shamy Bequest	617	-	(69)	-	548
Other Education & Training Funds	219	33	(73)	-	179
Research & QI Funds	1,053	1,220	(1,499)	50	824
RCPCH contribution to Newlife	45	-	-	-	45
Royalties from PCHR	324	44	-	-	368
Other Digital Funds	18	9	-	-	27
CYP Participation	102	7	(30)	1	80
Total Restricted Funds	2,990	2,051	(2,697)	51	2,395
Unrestricted Funds					
Designated Funds					
International Training Fund	19	1	(8)	-	12
Overseas Levy	15	133	(110)	34	72
CPD Diaries Fund	12	-	(33)	-	(21)
Exam Booking System Fund	26	-	(4)	-	22
Diabetes QAQI	239	-	(328)	90	1
R&QI Project Work	55	-	-	(5)	50
Committed Expenditure Fund	75	-	(30)	-	45
General Donations Fund	73	-	-	-	73
Writing Down Reserve	853	-	(185)	309	977
Charitable Trading Subsidiary Fund	-	432	(100)	(332)	-
Building Fund	14,482	-	(233)	(19)	14,230
Infrastructure Fund	1,760	-	(501)	(112)	1,147
Strategy Fund	964	-	(14)	-	950
Paediatrics 2040	-	(27)	165	-	138
Flexible Project Fund	250	-	-	85	335
Holiday Pay Accrual Fund	109	-	-	-	109
Investments	150	(613)	476	19	32
General Funds	1,973	15,647	(15,612)	(120)	1,888
Total Unrestricted Funds	21,055	15,573	(16,517)	(51)	20,060
Total Funds	24,060	17,624	(19,214)	-	22,470

Notes to the financial statements

For the year ended 31 August 2024

Notes on the funds:

Restricted funds

Paul Polani Fund arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by funding an award.

Other Awards and Prizes is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

Child Health Research Fund is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

El Shamy Bequest is a amount given to the College to fund Child Health Projects in the Palestinian Territories

Gordon Denney Bequest 2023–24 represents a bequest of £50,000 to the National Reye's Syndrome Foundation of the United Kingdom, which is an RCPCH Restricted Fund, to be used to supplement funds held by the College to fund a further revision of the Decreased Conscious Level Guideline.

International Projects represents the balances held on all Global Health team projects.

Education & Training and Research & Policy Funds are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions.

CYP Participation Fund is a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

General Funds represent the free funds of the College which are not designated for particular purposes.

Designated Funds

Overseas Levy was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

Gordon Denney Bequest 2023–24 represents a bequest of £350,000 to be known as the 'Jonathan Denney Bequest', with a special request that it be used for research into child health or diseases of children.

As of 31st August 2024, the Trustees have agreed to release all of the following designated funds with the aim that this will more accurately reflect the RCPCH's financial position and commitments and decrease the complexity of its current financial arrangements, aiding understanding and comprehension. All amounts released have been returned to the General Fund:

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary

Committed Expenditure fund to meet specific commitments related to College infrastructure – holding duration indeterminate.

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £73,000 (2023 – £73,000) – holding duration indeterminate.

Writing-Down Reserve is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

Flexible Project Fund – funds set aside to fund one-off in-year emergency projects as determined and approved by the Executive Committee.

Fixed Asset Fund identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

Infrastructure Fund – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – these funds will be expended year by year as the College delivers its digital strategy but will also be replenished on an ongoing basis.

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan and wider strategic planning

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2023 holding duration fully expended 2023–24.

Notes to the financial statements

For the year ended 31 August 2024

22 Operating lease commitments payable as a lessee

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2024 £'000	2023 £'000	Equipment 2024 £'000	2023 £'000
Less than one year	–	–	15	15
One to five years	–	–	–	15
Over five years	–	–	–	–
	–	–	15	30

23 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property 2024 £'000	2023 £'000
Less than one year	226	285
One to five years	483	931
Over five years	20	222
	729	1,438

**Royal College of
Paediatrics and Child Health**

Report and financial statements for the year ending 31 August 2024

Published March 2025

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Royal College of Paediatrics and Child Health
5-11 Theobalds Road,
London WC1X 8SH

The Royal College of Paediatrics and Child Health (RCPCH) is a registered charity in England and Wales (1057744) and in Scotland (SC038299).



Accounts

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements for the year ended 31 August 2023

Published January 2024



Table of contents

Introduction	3
Achievements and performance	4
Impact.....	4
Volunteers.....	10
Fundraising.....	10
Principal risks and uncertainties.....	10
Plans for future periods	12
Objectives for 2023/24.....	12
Financial review	13
Financial overview.....	13
Investment policy and objectives.....	15
Premises.....	15
Reserves policy.....	15
Donations disclosure.....	16
Pay transparency and equality.....	16
Objects and activities	17
Purposes and aims.....	17
Vision, mission and values.....	17
Structure, governance and management.....	17
Appointment, induction and training of trustees.....	19
Reference and administrative information	20
Statement of trustees' responsibilities	21
Independent auditor's report to the trustees of the Royal College of Paediatrics and Child Health	23
RCPCH financial statements and notes for the year ending 31 August 2023	28

Introduction

Our mission to improve the health of children and young people (CYP) is measured by the impact of our programmes and the policies we support. 2023 has been a year of actions that challenged ways of working and broadened perspectives on child health. We have made improvements in how we support our members, particularly trainees, strengthened our commitment to sustainability and climate change and used our collective voice to influence government policies affecting children and young people.

This year saw the culmination of a multi-year project, Progress+. Our dedicated staff and member volunteers brought the new flexible curriculum to life in August as we welcomed a record number of trainees. Our Thrive programme, seeking to support paediatricians throughout their career, has developed resources on career pathways, mental health and wellbeing and much more. Our Annual Conference in Glasgow was a strong indicator of the desire for better work-life balance and a call to 'kindness in healthcare.' It was good to see participants in the College Strategy workshop inspired with questions about how to volunteer with the College and comments on how College resources were used to impact clinical care.

2023 was a challenging year for many across the UK, but our commitment to supporting our members and the communities they serve is stronger than ever. Our potential to make an impact on the overall health of children and young people can be seen in our policy work on health inequalities. This campaign highlighted the imbalance of care for children from low-income households and those living in areas with higher levels of pollution. We spoke out against vaping and strongly campaigned for better oversight and safeguarding for young people.

We know that one of the key ingredients in ensuring that our work continues to be influential and impactful in the way we include the voices of children and young people in everything we do. We have strengthened our ability to do this by building the staff team supporting RCPCH &Us and by changing our constitution to add a second Youth Trustee to our Board of Trustees.

Through the following pages the Trustees of the College present their report and the audited financial statements for the year ending 31 August 2023. We have maintained a strong financial performance, against a challenging economic environment. This has allowed us to continue and further develop core activities fundamental to the College and will allow us to invest in new areas of work over the years to come. The Trustees believe that the College is financially viable for the next 12-24 months on the basis of their review of the 2023-24 budget and proposed schedule of investment.

We consider that this report provides a clear narrative to describe our work over the past twelve months and shows its impact. It describes how our resources have been used to meet the charitable objectives of the College and it reflects our stewardship and the due diligence behind our decision making. Reference and administrative information set out on page 20 forms part of this report. The financial statements comply with current statutory requirements, the requirements of the Royal Charter, the requirements of a directors' report under company law, and the relevant Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Joanne Shaw
Chair of Trustees

Liz Marder
Treasurer

Achievements and performance

Impact

As an organisation whose impact cannot be measured by numbers alone, the College has sought to identify meaningful metrics that illustrate progress across some of our key areas of priority. We reached three of our four Key Performance Indicators (KPIs) and whilst membership growth did not quite hit its target, we welcomed over 1,000 new members to the College and look forward to hearing from them and supporting them in their paediatric career.

Our staff engagement was included in 2021/22 showing a staff engagement rate of 71%. This figure is not measured annually as the College has committed to surveying staff every 2 years as a minimum, as part of our Investor in People status. The staff survey took place in the first quarter of 2023/24.

Key:



Met or exceeded target



Missed by under 5% of target



Missed by over 5% of target

The number of people that attend our online and face-to-face educational training courses	Target: 2,438 Achieved: 2,787 We continued to exceed our targets whilst maintaining standards with a 4.4/5 rating across our courses.	 Met or exceeded target
Number of members	Target: 5% growth Achieved: 4% growth, from 21,306 to 22,317 (target of 22,500) By continuing to provide a strong membership offer we grew our membership just missing our target	 Missed by under 5% of target
Number of members worldwide taking our examinations	Target: 8,220 Achieved: 8,392 We've exceeded our target, demonstrating the tremendous work of the examinations teams and examiners to support our members across the world.	 Met or exceeded target
The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees	Target: 29.6% Achieved: 31% Our income diversification has grown to 31.0% from 16.1% in 2019-20, due to the return of face-to-face activity, including annual conference.	 Met or exceeded target

Our 2021-24 strategy built on what we had learnt during the pandemic, using new ways of working and interacting, and robustly addressing our workforce needs. The last year has continued to place ever greater burdens on child health professionals and our strategy makes the support for lifelong careers in child health a central pillar. In our commitment to capitalise on what we have learnt, the strategy also brings the crucial role of digital innovation in our future ways of working to the fore.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities and identified the key strategic areas to support the College over the three year strategy period as follows:

1. To harness knowledge, data and intelligence to improve the quality of care for children and young people.
2. To equip members with the skills and knowledge they need through training and assessment.
3. To speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.
4. To develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

Improving quality and care

Standards and quality

The College continued to carry out a wide range of work to improve the quality of paediatric care and child health.

We continue to deliver three Healthcare Quality Improvement Partnership (HQIP) funded national clinical audits to promote improvements in care quality and have delivered the audit of child protection service standards.

Our Invited Reviews Service re-launched this year, underpinned a thorough review of previous processes and procedures with the lessons learnt resulting in more robust systems, procedures and processes. Three service reviews were undertaken, each providing initial feedback to the healthcare organisations which commissioned the reviews. Two of the three full reports were also provided and follow up is under way. The third report is currently being prepared.

We launched a new Patient Safety Portal and completed the third wave of the RCPCH Epilepsy Quality Improvement Programme (EQIP) which successfully worked with 13 Trusts, one Integrated Care Board and 32 people developing core quality improvement skills and implementing improvements to epilepsy practices.

The National Diabetes Quality Programme ran for five years until March 2023. An Impact Report was issued on closure highlighting completion of 132 Peer reviews. 76% of responding peer review services stated that they think peer review has had a direct impact on their service and health outcomes. The most common recommendations made during peer reviews were for increases in multidisciplinary staffing including dietetic, medical, psychological, paediatric diabetes service nurses and administrative provision.

Digital transformation

The College continued its work to harness data and technology as set out within the current strategy. Internally, significant progress has been made in modernising our systems and infrastructure, we continue to migrate key systems into our cloud environment and have increased the robustness of our cloud native development platform. We have successfully migrated our finance system, which, amongst numerous other benefits, has enabled improvements for members in both the claiming of expenses from the College and the payment of annual fees both directly and via direct debit.

Our newly developed College Audit Platform delivered its first audit implementation, for the Epilepsy12 audit team. We have continued expansions of our Growth API service, including a new partnership with NHS Wales which we are excited to support in accurately measuring the growth of all children across the country.

Working closely with stakeholders such as NHS Digital, NHS England, NHS Wales and NHS Scotland on key technology projects has been, and will continue to be, pivotal in continuing to extend our ability to positively impact child health across the UK through the intelligent application of technology and data.

Research and evidence

The Physical Signs of Child Sexual Abuse - a resource which provides evidence-based recommendations when examining and interpreting physical signs of sexual abuse - has been updated. Clinicians with specialist child protection skills, specific training and competences have the latest evidence at their fingertips to assess forensically children and young people where there are concerns about child physical abuse.

We are partnering with Google to use paediatric expertise and research evidence to properly assess and grade sexual abuse images on the internet. This vital piece of work will support better protection of children and support convictions of perpetrators of sexual abuse.

Our strategic partnership with the National Institute of Health Research (NIHR) has grown and strengthened and we have successfully influenced a Programme Development Grants Call for Child Health and Care Research, an initiative which will bolster research capacity, capability, and sustainability in some of the most complex and challenging areas of paediatrics.

The British Paediatric Surveillance Unit (BPSU) has continued to host and support innovative studies into rare and infectious diseases affecting children and young people covering a range of conditions such as acute hepatitis, near fatal asthma, congenital and hospitalised neonatal varicella and rapid-onset obesity with hypothalamic dysfunction, hypoventilation, and autonomic dysregulation (ROHHAD).

Building skills and knowledge

Professional training and examinations

Online examinations have continued, with online invigilation providing opportunities to take the theory examinations in countries without test centres. The MRCPCH Clinical examination in the UK continues to run face to face as does the MRCPCH Clinical examination overseas, with India and Nepal having restarted examinations in September 2022. Currently, we are unable to reopen examinations in Myanmar and Sudan due to civil unrest.

The START assessment, subspecialty recruitment and DCH Clinical examination have transferred from Practique to the newer and more user-friendly Osler system.

The updated Paediatric training programme - now branded as Progress+ - was successfully launched in August 2023 and aims to create more flexible and bespoke approaches to training. As a result, there has been a move from eight to seven indicative years of training and much more of a focus on innovative ways of collecting evidence and the benefits of longitudinal supervision. The changes have been well received after much stakeholder engagement activities and consultation with both trainees and trainers. A review after the first year of Progress+ will take place in Summer 2024 allowing any further changes to be made where necessary.

Our Education & Learning Board continues to conduct a quality review of all educational courses to ensure it is relevant and up to date. 47 educational courses were completed by 2,787 delegates with 80% stating that they can apply new learning to practice due to the courses they attended.

Humanitarian work

RCPCH Global have continued to deepen, develop and extend paediatric partnership, systemic strengthening and improving survival for mothers, newborns, infants and children in our core operational countries – including Rwanda, Nepal, Myanmar and Lebanon.

We have initiated new partnership work with paediatric colleagues in India, Pakistan and Nigeria, building on initial engagement to understand factors affecting the quality and efficacy of local hospital care in selected areas. And we have continued to support Ministry of Health, hospital leaders and child health workers across the Sierra Leone care system. In each country, detailed data-gathering and evaluation show significant improvement in the quality of clinical care and substantial reductions in avoidable morbidity and mortality.

In Lebanon, we continue to build a large new programme supporting improved understanding of and care for children and families in the Palestinian refugee camps with developmental delays and/or cognitive impairment – forms of child disability which tend to go un- or under-recognised across situations of humanitarian crisis. The programme is funded through the generosity of College members' legacy, and is being taken forward in a highly complex and dynamic social, cultural and economic environment. RCPCH Global continues to seek out, benefit from and leverage on the global child health stage the unique potential represented by the collective knowledge, experience and expertise of its membership both in the UK and internationally.

Influencing others

Policy and advocacy

Our advocacy this year has focused on ensuring children and young people are considered in strategic national decision making in governments across the UK. We have been highlighting concerns that children's waiting lists are increasing at double the rate of adult lists, the fragility of the health system and how it is struggling with increased demand, and a lack of coordination and cooperation across government to ensure information sharing for children is seamless. Our advocacy on these issues has resulted in invitations to sit on national steering groups advising on improved urgent and emergency care pathways, elective recovery, information sharing and outpatient transformation for children.

Using insights from paediatricians and children and young people, we urged governments to take action to mitigate the impact of poverty on children's health and wellbeing, inviting our members to get involved in our #ShiftTheDial campaign. Other highlights from the year include influencing the NHS to fund Mental Health Lead roles across Trusts in England, giving evidence to the UK Parliament Health Select Committee on our call to ban vapes, and publishing our updated position on mandatory reporting of child abuse.

We continue to keep pace with the NHS industrial relations environment, providing resources for members.

The voice of children and young people

The involvement of children and young people continued to be of vital importance in work undertaken by the College. Since September 2022, 1,088 children, young people and parent/carers have been involved with RCPCH, volunteering 1,481 hours on several different projects and programmes. 849 health professionals have also taken part in recipes for engagement sessions and our Safer Working Practices training has been taken by 40 members of staff.

We received 17 applicants from a wide range of backgrounds for the role of youth trustee and shortlisted 6 very strong candidates before Taona Makunganya was appointed and joined his first Trustee meeting in July 2023 bringing valuable insight to the heart of our governance.

Equality, Diversity, and Inclusion (EDI)

In March 2023 the final report in the "Working for Change" series was published, which marked two-years on since this programme began in March 2021. This publication was an opportunity to report back on what has been achieved and mark a shift to a new phase for our EDI work. Following consultation with College staff and members, a new one-year strategic plan, "Making EDI everybody's business", was subsequently developed and published in September 2023.

In 2021 we committed to annual reporting of the EDI data held for our members and staff, along with aggregated disclosure rates relating to protected characteristics. For the first time in 2023 we collated this data for both members and staff on a dedicated dynamic webpage, including records held up to January 2023. We will update this annually.

Following a pilot last year, in June 2023 we launched a new expanded Reciprocal Mentoring scheme, allowing members with one or more protected characteristics to benefit from conversations with College Officers. Ten people were successfully recruited to the scheme.

Climate change action

We scored highest in a peer reviewed study published in the Journal of Climate Change and Health that compared the climate credentials of UK health organisations against a climate change and health scorecard.

Eleven professional and regulatory health organisations responded to the scorecard, and we were pleased that the hard work outlined in our dedicated action plan to tackle climate change was recognised. Our work on advocacy was particularly high scoring, and this work has continued in earnest this year, building on our national and international reputation, including a particular focus on air quality.

To progress our net zero by 2040 ambitions, we worked with Investors in Environment, to achieve our bronze audit accreditation at our first attempt. We have also been nominated for a Best Newcomer award in recognition of our work in this area.

Developing our community

Member representation and support

Today the College supports over 22,000 members across the world. In 2022-23 we retained 96% of our membership and attracted around 1,000 new members. Listening and supporting our members remains at the heart of everything we do. Our activities have ensured that our members are represented to policymakers in governments and the NHS to shape policy and advance paediatrics and child health.

Workforce planning and lifelong career support

Workforce planning and retention are key issues facing paediatrics and a leading priority for the College. Applications for the national paediatric training programme have increased year on year since the launch of our Memcom Award winning #ChoosePaediatrics recruitment campaign in 2019. The competition ratio at ST1 has more than doubled in the past 3 years, with over 1,200 applications submitted for 480 posts this year.

A wide range of resources across the paediatrics career journey published this year, including an online evidence library of workforce data, Consultant job planning guidance, ST1 onboarding support, a new careers booklet and the launch of a new 2-year RCPCH Thrive Programme. Supported by the Dinwoodie Foundation, 'Thrive Paediatrics' is led by two newly appointed Clinical Fellows and aims to improve the working lives of paediatricians by creating local communities where paediatricians come together to share stories and, using the newly published RCPCH Roadmap for Transforming the Lives of Paediatricians as a tool, begin to draw from each other's experiences to bring about change.

The College continue to support consultant and international recruitment, via the revamped Advisory Appointments Committee (AAC) and Medical Training Initiative (MTI) processes.

Finance and governance

Financial performance for the 2022/23 financial year is positive, with an overall general reserve that is in line with the reserves policy. Planned expenditure from funds this year has enabled the College to make investments in upgrading critical infrastructure, enabling it to maintain its services and become more efficient and increase its strategic impact.

Volunteers

The College is reliant on a considerable number of volunteers, estimated to be over 4,000, to achieve its objectives and we are incredibly grateful and indebted to the many individuals who serve in many capacities. This includes the children, young people, parents and carers that form our RCPCH&Us network, the many clinicians that sit on our committees and those members that act as UK and overseas examiners, tutors, regional advisers or assessors.

These volunteers provide many hours' work towards achieving the charitable objects of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related .

Fundraising

Fundraising at the College remains a crucial step in ensuring a diverse income portfolio and during the year, £443k of fundraising income was achieved.

A proportion of the fundraising income was the result of legacy donations from members of the College to support wider College activity during the year. Ensuring effective processes are in place to secure increased future pledges of legacy income is a fundraising priority.

Trust and foundation fundraising continue to be a major focus. The team successfully secured funding to support our climate change work with a focus on the impact of air pollution on children and young people's health. The College also received funds to enable the development of a webinar series on paediatric infectious diseases, to continue our Medicines for Children programme and to support the delivery of safeguarding training courses for clinicians.

In all fundraising activity, the College abides by all relevant regulation and codes and no fundraising complaints were received throughout the year. The College does not undertake fundraising through any third-party organisations.

Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Leadership Team. This year has seen the Audit, Finance and Risk Committee develop its risk oversight, having deeper, more meaningful reports on fewer risks and exploring conversations about emerging risks for the College as part of the wider Risk Register. The committee, however, maintain oversight of all strategic and operational risks.

Risks	Mitigation
Staff capacity and ability to deliver operational plans	The Senior Leadership Team brought in targeted new roles across the College to mitigate this risk which has created capacity. Further to this the College has been mindful of the need to identify areas of efficiency whilst drafting the operational plans for 2023/24. The College is ambitious and recognises the huge value of its staff and volunteers and the impact they have on child health.
Insufficient members can volunteer to support RCPCH activity	We advertise our opportunities and provide letters of support on appointment and for NHS appraisal. We ensure clinicians are requested only where their skills are most needed. There has been some work in year to develop a volunteer strategy, this mitigation work will continue in 2023/24.
Long-term financial sustainability of the College	The College is working to move to three year budgeting process to provide a long term view on finance. The Board of Trustees have oversight of the long term reserves position, they review different financial scenarios to understand how decisions made in the short term affect the long term sustainability of the College.
Successful targeted or accidental cyber security incident that compromises the College's systems	The Board recognise that this is a risk for all organisations and the College must continually appraise its defences. All College systems are hosted with ISO27001 compliance, providers and systems hosted at Theobalds Road are suitably backed up offsite and protected using up-to-date firewalls and regularly updated anti-virus software. Further to this Cyber Essentials Plus certification has been granted and the DSP toolkit approved.

Risk management is flagged to new trustees during their induction process as one of their major responsibilities. The CEO and Chief of Staff take the operational lead for the risk management process. The Board has adopted a formal Risk Policy setting out responsibilities in this area and reviewed this policy during the reporting period.

The risk register is maintained by the Chief of Staff and reviewed quarterly by the Senior Leadership Team. These risks are then considered by the Audit, Finance and Risk Committee and a verbal report is provided by the AFRC Chair to the subsequent Board of Trustees meeting.

Risk is managed across the College and risks are assigned a suitable owner who is responsible for implementing appropriate mitigation. They monitor the ultimate impact of a risk and forecast how different actions can reduce the impact. These are then put in place as an action plan.

Plans for future periods

Our strategy sets broad aims that are reflective of our mission and vision. This direction of travel will continue into the final twelve months of our current strategic plan. During this final year we will also work to develop a new College strategy, one that builds on our post pandemic recovery and further sets the foundations to deliver for paediatrics and child health and make continued impact in the years to come.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities.

Objectives for 2023-24

The four strategic priorities at the centre strategy will continue to act as the blueprint for our work and over the next year we will use them to continue our mission for a healthier future for children and young people across the world. We will achieve this through a focus on the following areas:



Financial review

The Statement of Financial Activities for the year is set out on page 28 of the financial statements.

Financial overview

For the year to 31st August 2023, the overall net movement in funds was a decrease of £1.6m (2021/22 £1.7m increase) which comprises a decrease in general and designated funds of £1.0m (21/22: £1.4m increase) and a decrease in restricted funds (funds received and used for a specific purpose) of £0.6m (21/22: £0.3m increase).

The College's total income was £17.6m (21/22: £17.7m) of which £2.0m (21/22: £2.8m) has restrictions as to its use. Such restricted income is separately accounted for and unspent balances carried forward from year to year. Restricted funds unspent when a project is complete are available for return to the funder.

Income increased was in line with the previous year (21/22: 8.2% increase).

Membership subscriptions totalled £5.6m in year (21/22: £5.5m), set against the background of an increase in membership of 4% (from 21,306 to 22,317), compared to an increase of membership numbers of 4% the previous year. Assessment income increased by £0.3m or 5% from £5.4m to £5.7m, which continues the recovery of income lost due to problems running exams in 2019/20; other Education income decreased slightly to £1.3m (2021/22 £1.5m).

Digital Income (previously Publications Income) totals £1.2m (21/22: £1.2m) and includes £1.0m (21/22: £0.7m) in respect of the surplus due to the College from the joint venture to publish Archives. Most members receive this important and respected College publication as part of their membership and full access to the Archives website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Digital income also includes £0.1m (21/22: £0.1m) given to the College by the College's associated undertaking RCPCH Publications Limited, owned equally by the College and the Neonatal Paediatric Pharmacists Group (NPPG). RCPCH Publications Limited is one of three parties to a joint venture to produce the British National Formulary for Children (BNFC). The aim of BNFC is to assist those who prescribe, dispense or administer medicines for children and is unusual in that it covers the off-label use of medicines and also lists unlicensed medicines necessary for the treatment of children.

Note 13 details performance of the College's wholly owned subsidiary, British Paediatric Services Limited (BPSL), the net profit of which is donated to the College as a gift aid payment each year. Operating Profit for the company is £0.3m, in-line with 21/22 (£0.3m) .

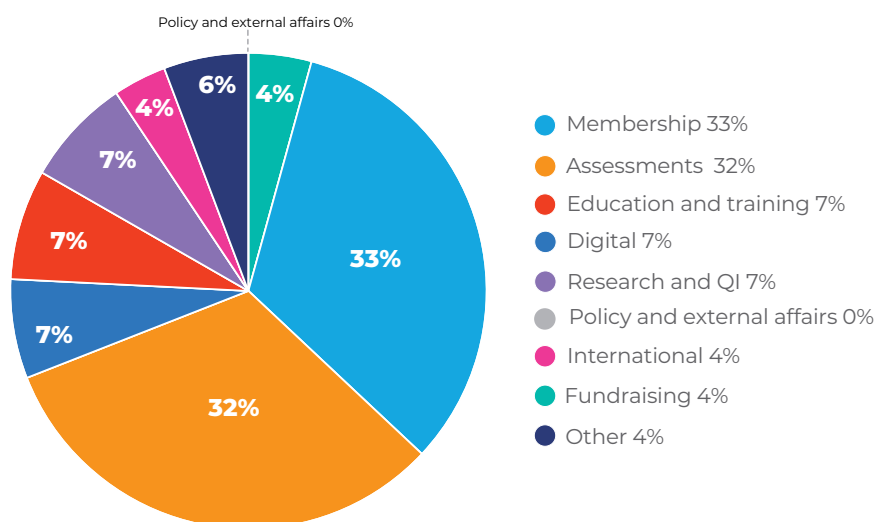
International income has decreased by £0.4m to £0.6m. The RCPCH Global team are currently working with partners, UNICEF, DIFD and the James Percy Foundation in Lebanon, Myanmar, Rwanda, Nepal and Sierra Leone.

Restricted income received during the year was £2.0m, a decrease of £0.8m on 22/23. Further information on restricted funds is provided in note 21a on page 42

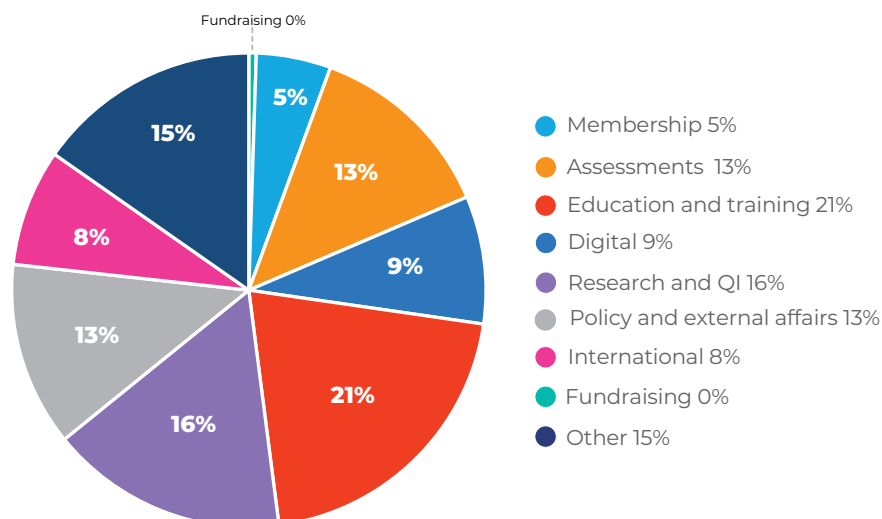
Designated income increased to £566k (before investment losses), a rise of £397k on last year. The designated fund balance at the 31 August 2022 is £18.0m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 42.

Total expenditure has increased by £3.3m from £15.8m in 21/22 to £19.1m in 22/23, reflecting sizeable investment in critical digital infrastructure and front-line technical capacity as well as and increased cost pressures on the College.

Overall there was a small decrease in the College's General Fund Reserve, which is now at £1.9m (21/22: £2.0m).



Pie chart summarising income sources for 2022-23 – full detail in the SOFA on page 28.



Pie chart summarising expenditure areas for 2022-23 – full detail in the SOFA on page 28.

Investment policy and objectives

In 2023 the College increased its Investment Portfolio, transferring an additional £0.1m (this sum to be treated as a Non-Permanent Endowment Fund) into the portfolio managed by Abrdn (formerly Aberdeen Standard Capital). The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested and seeks to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling time-frame. The portfolio has declined in value over the past 12 months in line with the market in general and at year-end this target was not being met.

In addition to the £2.2m held in an Aberdeen Liquidity Fund, there is a 24-hour call, interest bearing deposit that is treated as cash in these accounts.

Premises

The College's freehold premises at 5-11 Theobalds Road were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4.0m mortgage loan with the Royal Bank of Scotland plc to fund the purchase.

Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m. A valuation of the premises carried out by Knight Frank in July 2022 gave a fair value of £16.5m, with no further impairment being suffered as the College now depreciates the building and its book value is below this valuation.

The College granted a six-year lease of the first floor and part of the ground floor of the Theobalds Road offices to Blood Cancer UK in 2022-23 which will generate a rental income of £225k per annum.

Reserves policy

The General Funds represent the "free" funds of the College which are not designated for particular purposes or restricted in any way; they are essentially the College's reserves. Such funds need to be held as reserves to permit a responsible reaction to uncertainties.

The Reserves Policy of the College was reviewed and updated in June 2023. It was agreed that the minimum level of available funds should not fall below £2.5m.

The funds that the College views as available are the general (unrestricted) funds, plus those specifically designated for current infrastructure and strategy work. These funds had a total value of £3.99m at 31 August 2023 so the College is currently within its reserves policy.

Details of all designated funds together with the anticipated timing of this expenditure can be found in note 21a to the accounts.

Restricted funds are £2.4m a decrease of £0.6m over last year. Details of this work can be found in note 21a to the accounts.

Donations disclosure

In the 22/23 financial year, the College received the following grants and donations in support of its activities:

bioMerieux	£28,765
NHSE	£100,000
Edith Florence Spencer Memorial Trust	£2,000
Dr Tonie Haynes	£27,659
NHSE/Barnardos	£12,000
The Grace Trust	£3,000
Individual Giving	£100
Clean Air Fund	£245,436
NHSE/HQIP/RCP	£18,000
Dr Mary Peard	£39,521
NHSE	£84,983

These grants and donations provided support for a number of projects including the development of a series of webinars on paediatric infectious diseases, a programme of work to raise awareness and promote engagement of genomics across paediatrics, and a new project on the impact of clean air on the health and wellbeing of children and young people. All offers of funding are reviewed under the 'RCPCH Policy for Accepting Donations/Funding' before acceptance.

Pay transparency and equality

Pay

For the first time in the College's history, it faced a public dispute over the staff pay award which resulted in industrial action by staff. The dispute was resolved in June 2023.

Equality, Diversity and Inclusion

The College has continued with its commitment to equality, diversity and inclusion. This commitment includes working toward the Menopause Pledge providing information awareness sessions and signposting staff to appropriate resources. A policy is in development for publication in 2023/24. The College also embraces neuro-diversity and has sourced a provider to conduct work place assessments to ensure staff who may be neuro-diverse receive appropriate support as well as assistive technology to help them with their work. Awareness sessions have also been hosted and specific line manager sessions have also been made available.

Hybrid Working

On returning to the office in 2022, staff worked a hybrid pattern of 60:40 over a 2 week cycle. Following a review, this was amended to 40:60 over a 4 week cycle. Productivity and performance remains high with sickness absence levels below the sector average.

Senior Remuneration

The Senior Leadership Team are subject to the same remuneration policy as all staff. The College is committed to ensuring that salaries remain competitive through paying all employees in line with the wider market using salary benchmarking. Pay progression is based on performance against objectives, contribution and the application of new skills over time. The Board of Trustees and the People & Remuneration Committee have oversight of pay progression for the Senior Leadership Team.

The College is also a London Living Wage Employer.

Objects and activities

Purposes and aims

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

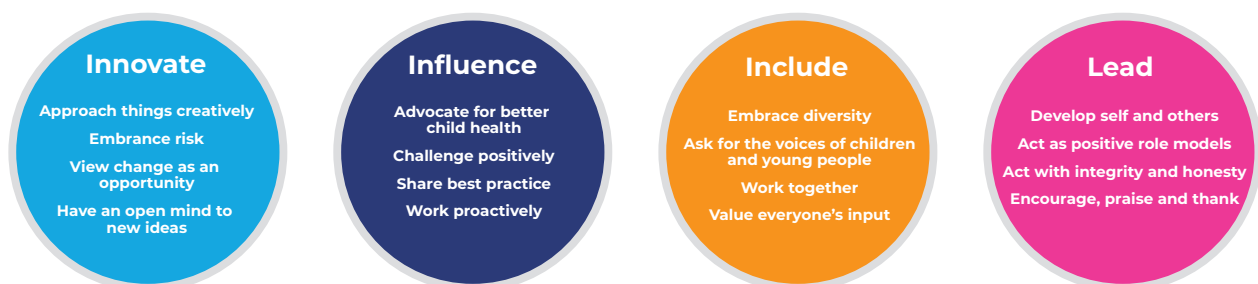
The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public benefit: running a charity* (PB2)

Vision, mission and values

Our vision is **"To transform child health through knowledge, innovation and expertise."**

This will be achieved through our mission for a healthier future for children and young people across the world and our College values of innovating, influencing, including and leading.



Structure, governance and management

The RCPCH was established under a Royal Charter, which established the objects and powers of the charitable company. The charity is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The current version of these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The Trustees delegate day-to-day management of the charity to the CEO, and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees. The senior committees of the College are as follows:

Board of Trustees

- Chaired by Joanne Shaw
- President, Registrar, Treasurer
- Four Member Trustees
- Three external Trustees, appointed to address skills gaps
- Beneficiary representative

Council

- Chaired by the President
- Representative body of the membership responsible for setting strategy

Executive Committee

- Chaired by the President
- Responsible for delivery of our strategy
- Senior officers
- Senior Leadership Team (SLT)

Audit, Finance and Risk Committee

- Chaired by the Treasurer

Remuneration Committee

- Chaired by the Treasurer
- Responsible for reviewing pay awards for CEO and Directors

Appointments Panel

- Chaired by the Chair of Trustees
- Responsible for the appointment of new Trustees

The College also has two subsidiary undertakings: British Paediatric Services Ltd (100% stake) and RCPCH Publications Ltd (50% stake). The results of these subsidiaries are consolidated in the group financial statements. Further details are given below under 'Subsidiary Undertakings'.

All trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Any expenses reclaimed from the charity by trustees are set out in note 6 to the accounts. Trustees are permitted by the Royal Charter to receive remuneration from the RCPCH for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 6 to the accounts.

An external review of the Board of Trustees' performance, benchmarking against regulatory guidance and the Charity Governance Code, was undertaken in autumn 2020. The Trustees received its recommendations and agreed an action plan in December 2020 and has monitored progress since.

Appointment, induction and training of Trustees

Under the governing documents, two of the trustee posts (President and Registrar) are appointed via election by eligible College members. All other trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector.

Trustee induction and training

All trustees receive an induction upon appointment and in addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document *The Essential Trustee* (CC3).
- The RCPCH's governing and management structures, and its strategy and workplan.
- The RCPCH's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

In addition, trustees are offered appropriate training and development opportunities throughout their term.

Reference and administrative information

For the year ended 31 August 2023

Charity number: 1057744
Charity number: SC038299

Countries of registration: England and Wales, Scotland
Registered office and operational address: 5-11 Theobalds Road, London, WC1X 8SH

Trustees:

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ms Joanne Shaw	Chair
Dr Camilla Kingdon	President
Professor Steve Turner	Registrar
Dr Elizabeth Marder	Treasurer
Professor Sir Terence Stephenson	Member Trustee
Dr Tsitsi Chawatama-Kwambana	Member Trustee
Dr Bhanu Williams	Member Trustee
Mr Simon Meredith	External Trustee
Mr Adam Igra	External Trustee
Ms Sarah Watson	External Trustee
Ms Taona Makunganya	Beneficiary Trustee

Senior Leadership Team:

Jo Revill	Chief Executive Officer (to 16 October 2022)*
Robert Okunnu	Chief Executive Officer (from 17 October 2022)
Emily Arkell	Executive Director of Research and Quality Improvement
Louise Frayne	Executive Director of People
Paul Marchant	Executive Director of Corporate Services
Richard Burley	Executive Director of Digital
Daniel Waeland	Executive Director of Education and Training
Melissa Ashe	Interim Director of Media, Policy and External Affairs (to 13 September 2023)
Selma Laklai	Interim Director of Media, Policy and External Affairs (to 13 September 2023)
Lizzie Dowd	Executive Director of Media, Policy and External Affairs (from 13 September 2023)

Bankers: Royal Bank of Scotland plc, LONDON. WC1V 6PQ

Solicitors: DAC Beachcroft, 25 Wallbrook, London, EC4N 8AF (from 31 Dec 2020)

Auditor: Sayer Vincent LLP, Chartered Accountants and Statutory Auditor
Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

Statement of Trustees' Responsibilities

Updated for 2023 by subject matter expert

The trustees (who are also directors of Royal College of Paediatrics and Child Health 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 and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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 legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 10 February 2024 and signed on their behalf by

Joanne Shaw, Chair of Trustees



Independent auditor's report for the year ended 31 August 2023

Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 group and parent charity's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Royal College of Paediatrics and Child Health'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
 - Sufficient and proper accounting records have not been kept; or
 - The financial statements are not in agreement with the accounting records and returns;
- or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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, finance and risk committee, which included obtaining and reviewing supporting documentation, concerning the group'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 group 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 group 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 parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP, Statutory Auditor
Invicta House, 110 Golden Lane, London, EC1Y 0TL

Date: 05 April 2024

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Royal College of Paediatrics and Child Health **Consolidated statement of financial activities (incorporating an income and expenditure account)** **For the year ended 31 August 2023**

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000
Income from:									
Donations and legacies		167	2	-	169	10	266	-	276
Charitable activities									
Membership		5,551	114	-	5,665	5,461	-	-	5,461
Assessment		5,712	-	-	5,712	5,425	-	-	5,425
Digital		1,107	94	-	1,201	1,191	-	-	1,191
Education & Training		1,331	4	-	1,335	1,406	85	-	1,491
Research & QI		-	1,309	-	1,309	1	1,405	-	1,406
Policy and External Affairs		-	-	-	-	381	15	-	396
International		133	514	-	647	123	959	-	1,082
Other professional activities and standards		632	-	-	632	483	26	-	509
Other trading activities		750	14	-	764	350	69	-	419
Investments	2	190	-	-	190	58	-	-	58
Total income		15,573	2,051	-	17,624	14,888	2,825	-	17,713
Expenditure on raising funds									
Fundraising trading	4	96	-	-	96	206	46	-	252
Charitable activities									
Membership	4	963	-	-	963	1,189	-	-	1,189
Assessment	4	2,472	-	-	2,472	1,946	-	-	1,946
Digital	4	1,664	-	-	1,664	955	60	-	1,015
Education & Training	4	3,878	73	-	3,951	2,953	117	-	3,070
Research & Quality Improvement	4	1,594	1,499	-	3,093	1,743	1,338	-	3,081
Policy and External Affairs	4	2,401	1	-	2,402	2,568	10	-	2,578
International	4	500	1,025	-	1,525	198	873	-	1,071
Other professional activities and standards	4	2835	99	-	2934	1511	53	-	1,563
Total expenditure		16,403	2,697	-	19,100	13,269	2,496	-	15,765
Net income / (expenditure) before net gains / (losses) on investments		(830)	(646)	-	(1,476)	1,619	329	-	1,948
Unrealised gains / (losses) on investments	12	(114)	-	-	(114)	(208)	-	-	(208)
Net income / (expenditure) for the year	5	(944)	(646)	-	(1,590)	1,411	329	-	1,740
Transfers between funds		(51)	51	-	-	(18)	18	-	-
Net income / (expenditure) before other recognised gains and losses		(995)	(595)	-	(1,590)	1,393	347	-	1,740
Net movement in funds		(995)	(595)	-	(1,590)	1,393	347	-	1,740
Reconciliation of funds:									
Total funds brought forward		21,055	2,990	15	24,060	19,662	2,643	15	22,320
Total funds carried forward		20,060	2,395	15	22,470	21,055	2,990	15	24,060

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 20a to the financial statements.

Royal College of Paediatrics and Child Health
Consolidated statement of cash flows
For the year ended 31 August 2023

Note	2023		2022	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	(1,590)		1,740	
Depreciation charges	535		555	
(Gains)/losses on fixed assets	67		(21)	
(Gains)/losses on investments	114		208	
Dividends and interest from investments	(190)		(44)	
Mortgage interest payable	22		18	
(Increase)/decrease in stocks	-		-	
(Increase) in debtors	667		46	
(Decrease)/Increase in creditors	685		(445)	
Net cash provided by operating activities		309		2,057
Cash flows from investing activities:				
Dividends and interest from investments	190		44	
Mortgage interest paid	(22)		(18)	
Purchase of tangible fixed assets	(185)		(299)	
Purchase of intangible fixed assets	(145)		(32)	
Purchase of investments	(134)		(840)	
Disposals of Investments	277		685	
Gain or loss of Investments	(114)		49	
Net cash (used in) investing activities		(134)		(411)
Cash flows from financing activities:				
Repayments of borrowing	(134)		(171)	
Net cash (used in) financing activities		(134)		(171)
Change in cash and cash equivalents in the year		42		1,475
Cash and cash equivalents at the beginning of the year		8,526		7,051
Cash and cash equivalents at the end of the year		8,568		8,526

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	8,526	42	-	8,568
a Total cash and cash equivalents	8,526	42	-	8,568
Loans falling due within one year	175	-	-	175
Loans falling due after more than one year	1,399	(134)	-	1,265
Total	5,307	(134)	-	7,128

Royal College of Paediatrics and Child Health **Balance sheet** **For the year ended 31 August 2023**

		The group		The charity	
	Note	2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	16,670	16,918	16,670	16,918
Intangible assets	11	457	413	457	413
Investments	12	2,214	2,290	2,214	2,290
		19,341	19,621	19,341	19,621
Current assets:					
Debtors	15	1,512	2,179	1,366	2,029
Cash at bank and in hand		8,568	8,526	8,120	8,428
		10,080	10,705	9,486	10,457
Liabilities:					
Creditors: amounts falling due within one year	16	(5,686)	(4,867)	(5,465)	(4,778)
Net current assets / (liabilities)		4,394	5,838	4,020	5,679
Total assets less current liabilities		23,735	25,459	23,361	25,300
Creditors: amounts falling due after one year	18	(1,265)	(1,399)	(1,265)	(1,399)
Net assets		22,470	24,060	22,096	23,901
Funds:	21 a				
Restricted and endowment funds		2,410	3,005	2,386	2,981
Unrestricted income funds:					
Designated funds		18,173	19,082	18,038	18,947
General funds		1,888	1,973	1,673	1,973
Total unrestricted funds		20,060	21,055	19,710	20,920
Total funds		22,470	24,060	22,096	23,901

Approved by the trustees on 10 February 2024 and signed on their behalf by

Joanne Shaw
Chair of Trustees

Dr Liz Marder
Treasurer

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

1 Accounting policies

a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

b) 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 Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees have considered the financial position of the College recognising its healthy cash position. They have evaluated the risks that it faces and continue to hold the view that there are no material uncertainties around going concern over the next 12 months.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

1 Accounting policies (continued)

e) 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.

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legacies are recognised when the income is probable and can be measured sufficiently reliable.

f) 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.

g) Fund accounting

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	11.86%
● Assessment	17.86%
● Digital	7.52%
● Education and Training	19.06%
● Research & Quality Improvement	19.17%
● Policy & External Affairs	12.47%
● International	5.42%
● Other professional activities	6.64%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

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

m) Tangible and intangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation (and amortisation of intangible assets) costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Fixtures	5 years
● Office equipment	10 years
● Fittings and Refurbishment	10 years
● IT hardware	3 years
● Website	7 years
● Building	50 years
● Intangibles – Database & Software	5–7 years

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

1 Accounting policies (continued)

n) 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. 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.

Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) 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.

q) 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.

r) 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.

s) Financial instruments

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.

t) Pensions

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

2 Income from investments

	2023	2022
	Total	Total
	£'000	£'000
Interest on Bank Deposits	190	58
	190	58

All income from investments is unrestricted.

3 Grants

	Income
	£'000
Group and College	
Income from government & government agencies	1,041
Other grants	1,268
	2,309

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

4a Analysis of expenditure (current year)

	Charitable activities												
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	2023 Total £'000	2022 Total £'000
Staff costs	–	234	461	949	2466	1862	1460	326	2524			10,282	9,005
Other direct costs	96	467	1616	549	1,064	808	666	1079	247	17		6,609	3,995
<i>Other allocated costs:</i>													
Premises & Facilities											765	765	557
Information and technology											307	307	1,166
Finance											319	319	278
Corporate services											818	818	764
	96	701	2,077	1,498	3,530	2,670	2,126	1,405	2,771	17	2,209	19,100	15,765
Support costs	–	262	395	166	421	423	276	120	146	–	(2,209)		–
Governance costs	–	–	–	–	–	–	–	–	17	(17)	–	–	–
Total expenditure 2023	96	963	2,472	1,664	3,951	3,093	2,402	1,525	2,934	–	–	19,100	15,765
Total expenditure 2022	252	1,189	1,946	1,015	3,070	3,081	2,578	1,071	1,563	–	–		14,597

* This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

4b Analysis of expenditure (prior year)

	Charitable activities											
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	2022 Total £'000
Staff costs	–	384	991	268	2,014	2,025	1,685	345	1,293	–	–	9,005
Other direct costs	252	477	461	539	529	526	548	576	56	31	–	3,995
<i>Other allocated costs:</i>												
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	557	557
Information and technology	–	–	–	–	–	–	–	–	–	–	1,166	1,166
Finance	–	–	–	–	–	–	–	–	–	–	278	278
Corporate services	–	–	–	–	–	–	–	–	–	–	764	764
	252	861	1,452	807	2,543	2,551	2,233	921	1,349	31	2,765	15,765
Support costs	–	328	494	208	527	530	345	150	183	–	(2,765)	–
Governance costs	–	–	–	–	–	–	–	–	31	(31)	–	–
Total expenditure 2022	252	1,189	1,946	1,015	3,070	3,081	2,578	1,071	1,563	–	–	15,765

*

This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

5 Net income / (expenditure) for the year

This is stated after charging:

	2023 £'000	2022 £'000
Depreciation/Amortisation	535	555
(Gains)/loss on disposal of fixed assets	68	(21)
Interest payable	21	22
Operating lease rentals:		
Property	–	11
Other	12	12
Auditor's remuneration (excluding VAT):		
Audit	23	20

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

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	8,537	7,506
Social security costs	969	838
Employer's contribution to defined contribution pension schemes	658	618
Redundancy and termination costs	118	87
	10,282	9,049

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	17	7
£70,000 – £79,999	6	2
£80,000 – £89,999	2	2
£90,000 – £99,999	1	1
£100,000 – £109,999	1	–
£110,000 – £119,999	1	–
£120,000–£130,000	1	–
£130,000–£140,000	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £1,093,643 (2022: £738,496). No trustee received any remuneration as part of this figure.

No (2022: none) trustees received payment (2022: £nil) in relation to work carried out under the Invited Review programme.

No other trustees either received or waived any emoluments during the year (2022: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £7,783 (2022:

£13,151) incurred by 4 (2022: 6 members) relating to attendance at meetings of the trustees.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities.

The gender split in the College workforce is 69% female 31% male (2022: 75% female, 25% male) and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

7 Staff numbers

The average number of employees during the year was 190 (2022: 190) on a head count basis and 175.8 (2022: 150) on a full time equivalent basis.

Staff are split across the activities of the charity as follows (head count basis):

	2023	2022
Membership	3.8	4
Policy & Ext Affairs	27.0	27.9
Examinations	9.7	16.3
Education & Training	44.8	41.3
Research & QI	44.0	40.5
International	5.0	5.0
Digital	12.0	10.4
Support	43.3	44.9
	189.6	190.3

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

8 Related party transactions

The following transactions took place between the College and institutions with connections to a Trustee (as named below).

Trustee	Role / Institution	Purchases in year £	Income invoiced in year £	Still outstanding at year end £
Professor Sir Terence Stephenson	Honorary Consultant Paediatrician at University College Hospital and Great Ormond Street Hospital (GOSH) Fellow of Royal College of Physicians	3,453 – 4,792	– 46,824 –	3,453 (45,144) –
Dr Camilla Kingdom	Evelina Children's Hospital	750	–	750
Dr Elizabeth Morder	Nottingham University Hospitals NHS Trust	1,304	–	1,304
Adam Igra	Guys and St Thomas' NHS FT	640	1,680	(1,040)

The transactions above all relate to ongoing relationships with some trustees' institutions and are not dependent on the Trustee status of the named individual. In addition, 7 trustee roles are set aside for members (in line with the College's governing documents). These member trustees each pay annual membership fees at the standard rate for the calendar year.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2023 £'000	2022 £'000
UK corporation tax at 19%	–	–

10 Tangible fixed assets

The group and college

	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
Cost or valuation				
At the start of the year	1,369	427	16,799	18,595
Additions in year	20	165	–	185
Disposals in year	–	–	–	–
At the end of the year	1,389	592	16,799	18,780
Depreciation				
At the start of the year	930	39	708	1,677
Charge for the year	154	43	236	433
Loss on impairment	–	–	–	–
Eliminated on disposal	–	–	–	–
At the end of the year	1,084	82	944	2,110
Net book value:				
At the end of the year	305	345	15,855	16,670
At the start of the year	439	388	16,091	16,918

Land with a value of £5,000,000 (2022: £5,000,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2022 – £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

Royal College of Paediatrics and Child Health **Notes to the financial statements** **For the year ended 31 August 2023**

11 Intangible fixed assets

The group and college Cost

	IT Software £'000	Total £'000
At the start of the year	970	970
Additions in year	145	145
Disposals in year	–	–
At the end of the year	1,115	1,115

Amortisation

At the start of the year	556	556
Charge for the year	102	102
Eliminated on disposal	–	–
At the end of the year	658	658

Net book value:

At the end of the year

At the end of the year	457	457
At the start of the year	414	414

12 Listed investments

The group and charity

	2023 £'000	2022 £'000
Fair value at the start of the year	2,270	2,323
Additions at cost	134	840
Disposal proceeds	(277)	(685)
Net gain / (loss) on change in fair value	(114)	(208)

	2,013	2,270
Cash held by investment broker pending reinvestment	201	20
Fair value at the end of the year	2,214	2,290

	2023 £'000	2022 £'000
Aberdeen Money Market	237	378
Gilts	150	72
Listed shares on stock exchange	1,626	1,820
Cash	201	20
	2,214	2,290

13 Subsidiary undertaking

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Elizabeth Marder is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians.

Royal College of Paediatrics and Child Health **Notes to the financial statements** **For the year ended 31 August 2023**

13 Subsidiary undertaking (continued)

	2023		2022	
	RCPCH Publications £'000	BPSL £'000	RCPCH £'000	BPSL £'000
Turnover	240	496	200	419
Cost of sales and administrative expenses	(39)	(170)	(39)	(160)
Operating profit	201	326	161	259
Interest receivable	1	3	57	89
Net profit	202	329	218	348
Charitable trading funds				
Balance at 1 September	–	159	–	100
Net profit	202	329	161	259
To be gifted to College for year ended 31	(101)	(159)	(80)	(200)
To be gifted to NPPG for year ended 31	(101)	–	(80)	–
Balance at 31 August	–	329	1	159

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2022– £42,000) for College staff, newsletter advertising and facilities used.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £'000	2022 £'000
Gross income	17,123	17,453
Result for the year	(1,804)	2,107

15 Debtors

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	607	386	375	198
Other debtors	3	658	3	656
Amounts due from associated undertakings	(50)	82	112	121
Prepayments	298	587	298	587
Accrued income	654	466	578	467
	1,512	2,179	1,366	2,029
	–	–	–	–

16 Creditors: amounts falling due within one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Mortgage loan	175	193	175	193
Trade creditors	542	641	542	641
Taxation and social security	331	349	306	349
Other creditors	148	–	147	–
Accruals	290	355	286	378
Deferred income (Note 17)	4,200	3,329	4,008	3,217
	5,686	5,312	5,465	4,777

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

17 Deferred income

Deferred income comprises examination income and invoices from other services.

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	3,329	3,505	3,217	3,454
Amount released to income in the year for Membership subscriptions	(3,573)	(1,387)	(3,571)	(1,388)
Amount released to income in the year exams and invoices	(6,669)	(5,078)	(6,670)	(4,986)
Amount deferred in the year	11,113	6,289	11,032	6,137
Balance at the end of the year	4,200	3,329	4,008	3,217

18 Creditors: amounts falling due after one year

	The charity	
	2023	2022
	£'000	£'000
Mortgage loan	1,265	1,399
	1,265	1,399
Analysis of mortgage loan not wholly repayable within 5 years by instalments		
In more than one year but not more than	175	175
In more than two years but not more than	522	522
In more than five years	568	702

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 9.08% (2022- 10.49%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

Interest was charged at 6.40% on the first £2,500,000 for the period to 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £658,432 (2022:£618,000).

20a Analysis of group net assets between funds (current year)

	General unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets		16,670			16,670
Intangible assets		457			457
Investments		2,214			2,214
Net current assets	1,888	97	2,395	15	4,394
Long term liabilities		(1,265)			(1,265)
Net assets at 31 August 2023	1,888	18,173	2,395	15	22,470

20b Analysis of group net assets between funds (prior year)

	General unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	16,918	-	-	16,918
Intangible assets	-	413	-	-	413
Investments	-	2,290	-	-	2,290
Net current assets	1,973	860	2,990	15	5,838
Long term liabilities	-	(1,399)	-	-	(1,399)
Net assets at 31 August 2021	1,973	19,082	2,990	15	24,060

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

21a Movements in Funds (current year)

	At 1 September 2022 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2023 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Non-Permanent Endowment Fund					–
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	30	–	–	–	30
Other Awards & Prizes	21	–	–	–	21
Policy & External Affairs Funds	41	8	(1)	–	48
Non-Permanent Endowment Fund	92	–	–	–	92
Corporate Services					
Child Health Research Fund	34	–	–	–	34
Fundraising	18	8	–	–	26
International					
International Projects	376	722	(1,025)	–	73
El Shamy Bequest	617	–	(69)	–	548
Education & Training					
Other Education & Training Funds	219	33	(73)	–	179
Research & QI					
Research & QI Funds	1,053	1,220	(1,499)	50	824
RCPCH contribution to Newlife	45	–	–	–	45
Digital					
Royalties from PCHR	324	44	–	–	368
Other Digital Funds	18	9	–	–	27
CEO					
CYP Participation	102	7	(30)	1	80
Total restricted and endowment funds	3,005	2,051	(2,697)	51	2,410
Unrestricted Funds					
Business Development					
International Training Fund	19	1	(8)	–	12
Overseas Levy	15	133	(110)	34	72
Education & Training					
CPD Diaries Fund	12	–	(33)	–	(21)
Exam Booking System Fund	26	–	(4)	–	22
Research & QI					
Diabetes QAQI	239	–	(328)	90	1
R&QI Project Work	55	–	–	(5)	50
Other					
Committed Expenditure Fund	75	–	(30)	–	45
General Donations Fund	73	–	–	–	73
Writing Down Reserve	853	–	(185)	309	977
Charitable Trading Subsidiary Fund	–	432	(100)	(332)	–
Building Fund	14,482	–	(233)	(19)	14,230
Infrastructure Fund	1,760	–	(501)	(112)	1,147
Strategy Fund	964	–	(14)	–	950
Paediatrics 2040	–	–	–	–	–
Flexible Project Fund	250	–	–	85	335
Holiday Pay Accrual Fund	109	–	–	–	109
Investments	150	(613)	476	19	32
General Funds	1,973	15,647	(15,612)	(120)	1,888
Total Unrestricted Funds	21,055	15,600	(16,682)	(51)	19,921
Total Funds	24,060	17,651	(19,379)	–	22,331

The narrative to explain the purpose of each fund is given at the foot of the note below.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

21b Movements in Funds (reinstated prior year)

	At 1 September 2022 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2023 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Non-Permanent Endowment Fund					–
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	30	–	–	–	30
Other Awards & Prizes	21	–	–	–	21
Policy & External Affairs Funds	36	23	–	(18)	41
Non-Permanent Endowment Fund		100		(8)	92
Corporate Services					
Child Health Research Fund	124	–	–	(90)	34
Fundraising	18				18
International					
International Projects	231	960	(848)	33	376
El Shamy Bequest	500	150	(33)	–	617
Education & Training					
Other Education & Training Funds	251	85	(117)	–	219
Research & QI					
Research & QI Funds	1,035	1,415	(1,359)	(38)	1,053
RCPCH contribution to Newlife	–			45	45
Digital					
Royalties from PCHR	335	65	(86)	10	324
Other Digital Funds				18	18
CEO					
CYP Participation	62	26	(52)	66	102
Total restricted and endowment funds	2,658	2,824	(2,496)	18	3,005
Unrestricted Funds					
Business Development					
International Training Fund	23	–	(4)	–	19
Overseas Levy	15	123	(90)	(33)	15
Education & Training					
CPD Diaries Fund	12	–	–	–	12
Exam Booking System Fund	26	–	–	–	26
Research & QI					
Diabetes QAQI	727	–	(488)	–	239
R&QI Project Work				55	55
Other					
Committed Expenditure Fund	75	–	–	–	75
General Donations Fund	71	2	–	–	73
Writing Down Reserve	846	–	(321)	328	853
Charitable Trading Subsidiary Fund	–	351	(215)	(136)	–
Building Fund	14,718	–	(236)	–	14,482
Infrastructure Fund	1,122	–	(232)	870	1,760
Strategy Fund	673	–	(9)	300	964
Paediatrics 2040	–	–	–	–	–
Flexible Project Fund	–	–	–	250	250
Holiday Pay Accrual Fund	146	–	–	(38)	109
Investments	287	44	(226)	45	150
General Funds	921	14,368	(11,657)	(1,659)	1,973
Total Unrestricted Funds	19,662	14,888	(13,477)	(18)	21,055
Total Funds	22,320	17,713	(15,973)	–	24,060

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2023

Notes on the funds:

Paul Polani Fund arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by funding an award.

Other Awards and Prizes is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

Child Health Research Fund is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

El Shamy Bequest is a amount given to the College to fund Child Health Projects in the Palestinian Territories

International Projects represents the balances held on all Global Health team projects.

Education & Training and Research & Policy Funds are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions.

CYP Participation Fund is a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

Overseas Levy was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary

Committed Expenditure fund to meet specific commitments related to College infrastructure – holding duration indeterminate.

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £73,000 (2022 – £73,000) – holding duration

Writing-Down Reserve is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

Flexible Project Fund – funds set aside to fund one-off in-year emergency projects as determined and approved by the Executive Committee.

Fixed Asset Fund identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

Infrastructure Fund – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – these funds will be expended year by year as the College delivers its digital strategy but will also be replenished on an ongoing basis.

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan and wider strategic planning

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2023 holding duration fully expended 2023–24.

General Funds represent the free funds of the College which are not designated for particular purposes.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2023

22 Operating lease commitments payable as a lessee

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	-	-	15	15
One to five years			15	30
Over five years				
	<u>-</u>	<u>-</u>	<u>30</u>	<u>45</u>

23 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2023	2022
	£'000	£'000
Less than one year	285	273
One to five years	931	994
Over five years	222	444
	<u>1,438</u>	<u>1,711</u>

**Royal College of
Paediatrics and Child Health**

Report and financial statements for the year ending 31 August 2023

Published January 2024

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Royal College of Paediatrics and Child Health
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London WC1X 8SH

The Royal College of Paediatrics and Child Health (RCPCH) is a registered charity in England and Wales (1057744) and in Scotland (SC038299).



Accounts

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements for the year ended 31 August 2022

Published December 2022



Table of contents

Introduction	3
Achievements and performance	4
Impact.....	4
Volunteers.....	9
Fundraising.....	9
Principal risks and uncertainties.....	9
Plans for future periods	11
Objectives for 2022/23.....	11
Financial review	12
Financial overview.....	12
Investment policy and objectives.....	14
Premises.....	14
Reserves policy.....	14
Donations disclosure.....	15
Pay transparency and equality.....	15
Objects and activities	16
Purposes and aims.....	16
Vision, mission and values.....	16
Structure, governance and management.....	16
Appointment, induction and training of trustees.....	18
Reference and administrative information	19
Statement of trustees' responsibilities	20
Independent auditor's report to the trustees of the Royal College of Paediatrics and Child Health	22
RCPCH financial statements and notes for the year ending 31 August 2022	27

Introduction

2022 has seen a new focus at the RCPCH, as we adjust to the 'new normal' in the way we live and work today. Across the College we have worked to align our programming and advocacy work in response to these new ways of working. We have made investments in staff recruitment and retention and digital updates to bolster our online offerings to support our member engagement activities. We have further developed the Progress+ curriculum to provide more flexible and targeted training. Our Annual Conference in June saw record attendance with over 2,000 attendees as we returned to a face-to-face event whilst also welcoming a virtual audience. The energy and enthusiasm of our members at conference was invigorating and a welcome reminder of why our work is so important.

We have completed the first year of our 2021-2024 strategy, and have been able to apply our overarching strategic aims to meet the significant challenges the last year has brought, including those relating to our workforce and the cost-of-living crisis.

Our 2022 Impact Report highlights some of the key outcomes of our research projects and member-focused programmes. It emphasises our mission to amplify the voices of children and young people in health matters by serving as their advocates. Our 2022 Annual Review to be published in Spring 2023 will offer a broader view of life at the College through story-telling and a visual narrative.

Through the following pages the Trustees of the College present their report and the audited financial statements for the year ending 31 August 2022.

We have maintained a strong financial performance, against a challenging economic environment. This has allowed us to continue and further develop core activities fundamental to the College and will allow us to invest in new areas of work over the years to come. The Trustees are confident that the College is financially viable for the next 12-24 months following the review of the 2022/23 budget, multi-year budgeting assumptions and future proposed schedules of investment. This view is further strengthened by the College's strategic focus on income diversification to generate additional funds to strengthen our core delivery and fund future areas of growth.

We hope this report provides a clear narrative to describe our work over the past twelve months and show its impact. It describes how our resources have been used to meet the charitable objectives of the College and it reflects our stewardship and the due diligence behind our decision-making.

Reference and administrative information set out on page 19 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



Joanne Shaw
Chair of Trustees



Liz Marder
Treasurer

Achievements and performance

Impact

As an organisation whose impact cannot be measured by numbers alone, the College has sought to identify meaningful numbers that illustrate progress across some of our key areas of priority. Last year we continued to track our six Key Performance Indicators (KPIs) to learn more about our long-term impact across child health.

The KPIs for 2021-22 are as follows:

The number of people that attend our online and face-to-face educational training courses	Target: 1,395 Achieved: 2,745 By moving our courses online we've exceeded our 1395 attendees in 2020/21 and achieved our target.	 Met or exceeded target
Our Unique Personal Engagement (UPE) score, including online engagement	Target: 25% Achieved: 12% A less accurate methodology in prior year calculation meant duplicate counting took place and the target set was based on artificially elevated data. *	 Missed by over 5% of target
Number of members	Target: 4% growth Achieved: 4% growth, from 20,479 to 21,306 By continuing to support our members during the recovery following the pandemic we have achieved our ambitious growth target.	 Met or exceeded target
Number of members worldwide taking our examinations	Target: 7,639 Achieved: 8,552 We've exceeded both our target and the 8232 examinations sat in 2020-21, demonstrating the tremendous work of the examinations teams and examiners to support our members across the world.	 Met or exceeded target
The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees	Target: 29.6% Achieved: 30.8% Our income diversification has grown to 30.8% from 16.1% in 2019-20, due to the return of face-to-face activity, including annual conference.	 Met or exceeded target
Our staff engagement score, as measured through our all-staff surveys	Target: 7.3 (proxy of a 75% completion rate) Achieved: 71% completion rate Peakon and Investors in People use different criterion to measure engagement. For the purposes of this report a proxy of staff completion rates of the survey shows comparable data. As part of the Investors in People review, the College achieved Investors in People status.	 Missed by under 5% of target

*We will be considering moving to other metrics to monitor our engagement over the forthcoming year.

Our 2021-24 strategy built on what we had learnt during the pandemic, using new ways of working and interacting, and robustly addressing our workforce needs. The last year has continued to place ever greater burdens on child health professionals and our strategy makes the support for lifelong careers in child health a central pillar. In our commitment to capitalise on what we have learnt, the strategy also brings the crucial role of digital innovation in our future ways of working to the fore.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities and identified the key strategic areas to support the College over the next three years as follows:

1. To harness knowledge, data and intelligence to improve the quality of care for children and young people.
2. To equip members with the skills and knowledge they need through training and assessment.
3. To speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.
4. To develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

Improving quality and care

Standards and quality

The College continued to carry out a wide range of research and evidence programmes and was recommissioned to deliver three national clinical audits to inform the development of policy, service delivery, clinical standards, patient information and quality improvement initiatives to improve child health and support the paediatric workforce.

Our Invited Review service is aiming to restart offering reviews in early 2023, having been paused due to the impacts of the pandemic. The National Diabetes Quality Programme have completed over 110 reviews and delivered significant impacts in the services they have supported.

Digital transformation

With the appointment of a Chief Digital Officer, the College has begun its work to harness data as set out within the current strategy. Internally, work has begun to modernise systems and structures, including a significant investment in a new finance system that will have impact across the organisation. Digital work focused on our members, children and young people has ranged from app development, website improvement, audit platform creation and establishing the next steps for the digital growth charts. Working alongside stakeholders like NHS Digital has been pivotal in beginning this work to ensure the College is utilising its expertise in the most impactful areas.

Research and evidence

Two large programmes of work launched with newly appointed specialist staff resources to deliver them. The first was the RCPCH Genomics Programme - a long-term programme to support RCPCH members to improve child health outcomes by embedding genomic approaches. The second was the *Physical Signs of Child Sexual Abuse* - a resource which provides evidence-based recommendations when examining and interpreting physical signs of sexual abuse.

This year we have made significant progress in influencing the need for increased investment into national structures for child health research. Practical actions will be taken forward with the National Institute of Health Research to advance change.

This year the team published the clinical guideline for the screening of retinopathy in prematurity. This was the culmination of over two years of work to collate, review and synthesise the latest research evidence into recommendations for practice.

The British Paediatric Surveillance Unit launched a new data collection platform and has continued to host and support innovative studies into rare and infectious diseases affecting children and young people covering a range of conditions such as acute hepatitis, avoidance restrictive food intake disorder and neonatal stroke.

Building skills and knowledge

Professional training and examinations

Online examinations have continued, with the online invigilation option opening up opportunities to take the theory examinations in countries without test centres. The UK clinical examination returned in June 2022 to face-to-face for the first time since the pandemic. Overseas clinical examinations have now reopened in almost all countries, with India and Nepal restarting examinations in September 2022. Currently we are unable to reopen examinations in Myanmar and Sudan due to civil unrest. The START assessment has transferred from Practique to the newer and more user-friendly Osler system. Progress+ communications, events and guidance continues to be produced by the Implementation Working Group in the penultimate year before transition begins.

Training courses have continued to be delivered throughout the pandemic. The newly constituted Education and Learning Board has overseen lessons learned from running courses online and begun the redevelopment of course portfolios. 80% of our delegates continue to state that they can somewhat or significantly apply new learning to practice as a result of the courses they attended. RCPCH Learning, the College's new e-learning website, launched in July 2022.

Humanitarian work

Over the last year, we have built on our breadth of international experience and programme presence to offer critical support to humanitarian crises. In Myanmar, following the military coup, we continued to provide life-saving support, remotely, to nurses and doctors across the country with over 30,000 views of our clinical skills videos.

In Ukraine, following the invasion, we convened an advisory group of Ukrainian and UK paediatric clinicians to design and deliver simple instructional videos and training materials supporting continuation of basic perinatal and paediatric care by clinicians and non-clinicians operating in highly insecure environments. We also brokered a new exchange between Ukrainian trauma surgeons in Kharkiv and the Royal College of Surgeons of England. In Lebanon, with collapsing political and economic institutions, we have initiated a new legacy-funded programme to support better, more joined up care for children with cognitive disabilities in the Palestinian refugee camp communities.

Influencing others

Policy and advocacy

Whilst we continued our policy work on COVID-19 and worked to support policy change at a local and national level, one of our most significant interventions during the year was our work to influence the Health and Care Act 2022. The early stages of the Bill included only a handful of mentions of children but through lobbying and providing expert evidence to parliamentarians to propose amendments, we secured commitments that put children and young people at the heart of the statutory framework.

Other highlights from our policy and advocacy work included: publishing new guidance on seeking and providing external second opinions in paediatrics; publishing the safeguarding guidance for early medical abortions; and publishing an updated vaping position.

The voice of children and young people

The involvement of children and young people (CYP) continued to be of vital importance in all work undertaken by the College. Since Sept 2021, 760 children, young people and parent/carers have been involved with RCPCH, volunteering 1570 hours on several different projects and programmes. 1325 health professionals have also taken part in recipes for engagement sessions and our Safer Working Practices training has been taken by 52 members of staff.

Equality, Diversity, and Inclusion (EDI)

In March 2022, the first update on the EDI goals of the College was shared with members alongside an enhanced data snapshot providing transparency on our progress to date. Our reciprocal mentoring pilot scheme matched Officers of the College with members of the EDI Member Reference Group. The pairs underwent an induction meeting in February 2022 and met on a regular basis. Through the pilot, we hope to further refine what the aim of a wider reciprocal mentoring scheme could be and identify the best next steps for the College in October 2022.

We also launched a scheme to support clinicians with barriers they might face to working with the College, including a pilot fund to cover care costs of those volunteering their time. A podcast featuring voices from our Member Reference Group and a session at annual conference focused on accessibility ensured our work continued to reach our members.

Climate change action

It has been a busy and productive year for the College's Climate Change Working Group. In October 2021, we launched our first major output ahead of COP26, a position statement on "The impact of climate change on global child health". In January 2022 we published our climate change action plan, which set out our three-year ambitions for this work and a series of 38 specific actions to be taken forward across our five workstreams. Our working group of 80 dedicated members have been working hard to progress these, and we now have a range of resources for members available on our website.

Elsewhere, we have made significant progress in establishing ourselves as a leader on climate change and health action and have been invited to speak at several national and international events. We also took part in an independent survey of medical royal colleges and professional associations and we were delighted to receive the top score, in recognition of the impact we have achieved in our first year.

Developing our community

Member representation and support

Today the College supports over 21,300 members across the world. In 2021/22 we retained 96% of our membership and attracted 800 new members, achieving our growth target for the year. Listening and supporting our members remains at the heart of everything we do. Our activities have ensured that our members are represented to policymakers in governments and the NHS to shape policy and advance paediatrics and child health.

Council, our representative body of our members, underwent a review during the year and several recommendations to improve ways of working and representation were approved and will be taken forward.

Lifelong career support

Following the successful completion of the Dinwoodie Phase 1 project which undertook a comprehensive analysis of historic data on attrition in the paediatric medical workforce, we successfully bid for and achieved funding for a larger Phase 2. Formally named 'Thrive Paediatrics', this two-year project will take forward two streams of lifelong careers activity. The first is the production and peer review of best practice guidelines for sustainable working. The second is piloting a member-owned regional community. Following a restructure, role components from across the College have been brought together to create a two-person careers team under an Associate Director for Careers and Workforce.

Finance and governance

Financial performance for the 2021/22 financial year is positive, resulting in a general funds surplus that will not only ensure the College meets its reserves policy this year, but also allow for the necessary investment in 2022/23 to drive delivery of the College strategy on a financially sustainable footing.

Volunteers

The College is reliant on a considerable number of volunteers, estimated to be over 4000, to achieve its objectives and we are incredibly grateful and indebted to the many individuals who serve in many capacities. This includes the children, young people, parents and carers that form our RCPCH&Us network, the many clinicians that sit on our over seventy committees and those members that act as UK and overseas examiners, tutors, regional advisers or assessors.

"I jumped at the opportunity to be involved in a role in which children's public health is placed more at the forefront of my local area policies."

Dr Deji Jaiyesimi, Trainee paediatrician and RCPCH Ambassador

These volunteers provide many hours' work towards achieving the charitable objects of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related.

Fundraising

Fundraising at the College remains a crucial step in ensuring a diverse income portfolio and during the year, £276k of fundraising income was achieved.

A significant proportion of the fundraising income was the result of legacy donations from members of the College to support wider College activity during the year. Ensuring clear signposting and a clear supporter journey for future pledges of legacy income is a fundraising priority.

Trust and foundation fundraising continue to be a major focus. The team successfully secured funding to support e-learning for clinicians involved in research, and for our 'Thrive Paediatrics' programme which aims to design and deliver targeted interventions for specific groups of paediatricians to nurture resilience, leadership and wellbeing. The College also received funds from an inspired group of NHS Consultants who took part in the Ride London-Essex cycling festival to successfully fundraise for the RCPCH's programme on the impact of climate change on child health.

In all fundraising activity, the College abides by all relevant regulation and codes and no fundraising complaints were received throughout the year. The College does not undertake fundraising through any third-party organisations.

Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. This area of work has been a particular area of focus for the Board since it was first constituted in November 2016. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Management Team. Building on the progress described in recent years' reports about managing risk, and taking into account best practice in the sector, a strategic and operational risk register are maintained by the organisation, complemented by additional registers for extensive projects or emerging issues.

The major risks included in the strategic and operational risk registers across the course of the year to 31 August 2022 cover the impact of COVID-19, capacity of both staff and clinicians, historic invited reviews and the visibility of child health. Further detail on the risks to the College and mitigation that we have put in place to reduce those risks is as follows:

Risks	Mitigation
The potential financial impacts of the COVID-19 pandemic, both on individual activities (such as exams and conferences) and on the College's agreed Reserves Policy and the effects of the COVID-19 pandemic on the workload and wellbeing of College members, volunteers and staff.	Regular governance oversight, active engagement with the health departments in the UK nations and other relevant bodies.
Capacity issues across the College impact on the ability to deliver key work - particularly support of clinical examinations and delivery of international exams. This also includes our reliance on volunteers to advise and support so many activities at a time of considerable service pressure.	Frequent discussions at Senior Management Team meetings to review capacity and Board of Trustees approval for increased support within teams supporting exams delivery. Ongoing plans to develop decision making tools to support capacity limits.
Historical invited reviews undertaken by the College.	Clear internal lines of communication. Regular Trustee and Senior Officer oversight of issues as they are highlighted. Legal expertise sought when required. External review of invited reviews service.
That child health will not be seen as a sufficiently important priority by those responsible for setting UK health policy.	Working with, informing and influencing government and Arm's Length Bodies (ALBs). Ongoing policy and communications activity about the work of the College to ensure the importance of child health is highlighted.

Risk management is flagged to new trustees during their induction process as one of their major responsibilities. The staff leads for the risk management process are the CEO and the Chief of Staff. The Board has adopted a formal Risk Policy setting out responsibilities in this area and reviewed this policy during the reporting period.

The operational risk register is maintained by the Chief of Staff and reviewed monthly by the Senior Management Team (SMT). It consists of risks that have arisen in the course of the College's everyday work that are of significance for the organisation. Each risk is assigned an SMT owner, who is responsible for implementing appropriate mitigation for the risk. Operational risk register items are included in regular reports from the CEO to the Executive Committee and the Board of Trustees, at which it is scrutinised. The risk register of strategic risks contains the risks that present a longer-term (and often an external) challenge to the College's continuing ability to fulfil its charitable objectives. This is maintained by the CEO and the Chief of Staff, and is considered regularly by the Audit, Finance and Risk Committee and the Board of Trustees.

Plans for future periods

Setting a strategy for the future in the midst of a global pandemic is not an easy task for any organisation and our strategy therefore sets broad aims that are reflective of our mission and vision. This direction of travel will continue into the next twelve months, and our work will continue to fit within the four strategic priorities.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities.

Objectives for 2022-23

The four strategic priorities at the centre of our strategy will continue to act as the blueprint for our work. Over the next year we will use these priorities to continue our mission for a healthier future for children and young people across the world. We will achieve this through a focus on the following areas:



We will continue to use consistent measures of impact, and we will again track the following Key Performance Indicators (KPIs):

1. Number of members worldwide taking our examinations
2. Number of members
3. Number of people that attend our online and face-to-face educational training courses
4. Percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees
5. Our staff participation and collaboration score, as measured through the Investors in People survey.

We will also be looking at other metrics to track our engagement in the forthcoming year to replace the unique personal engagement score.

Financial review

The Statement of Financial Activities for the year is set out on page 27 of the financial statements.

Financial overview

The year to 31 August 2022 saw the College return to work in the office after the disruption of the past two years, albeit on a hybrid working pattern.

The overall net movement in funds was an increase of £1.7m (2020/21 £2.0m increase) which comprises an increase in general and designated funds of £1.4m and an increase in restricted funds (funds received and used for a specific purpose) of £0.3m.

The College's total income was £17.7m (2020/21 £16.3m) of which £2.8m (2020/21 £2.4m) has restrictions as to its use. For example, a grant given for a project is only used for the purposes of the project. Restricted income is separately accounted for and unspent balances carried forward from year to year. Restricted funds unspent when a project is complete are available for return to the funder.

Income increased by 8.3% during the financial year and was £1.4m higher than the previous financial year.

Membership subscriptions totalled £5.5m in 2021/22 (2020/21 £5.5m), set against the background of an increase in membership of 4.0% (from 20,479 to 21,306) but a lowering of fees to reflect the new pricing arrangements for *Archives of Disease in Childhood (Archives)*. Assessment income increased by £1.0m or 23% from £4.4m to £5.4m, which continues the recovery of income lost due to problems running exams in 2019/20; other Education income increased by 2% to £1.5m (2020/21 £1.5m).

Digital income (previously Publications income) totals £1.2m (2020/21 £0.8m) and includes £0.7m (2020/21 £0.8m) in respect of the surplus due to the College from the joint venture to publish *Archives* in addition to which a cost sharing agreement relating to past-years costs of the journal resulted in a one-off receipt of £380k from BMJ. Most members receive this important and respected College publication as part of their membership and full access to the *Archives* website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Digital income also includes £0.1m (2020/21 - £0.1m) given to the College by the College's associated undertaking RCPCH Publications Limited, owned equally by the College and the Neonatal Paediatric Pharmacists Group (NPPG). RCPCH Publications Limited is one of three parties to a joint venture to produce the *British National Formulary for Children (BNFC)*. The aim of BNFC is to assist those who prescribe, dispense or administer medicines for children and is unusual in that it covers the off-label use of medicines and also lists unlicensed medicines necessary for the treatment of children.

Note 13 details performance of the College's wholly owned subsidiary, British Paediatric Services Limited (BPSL), its' net profit is donated to the College as a gift aid payment each year. Operating Profit for the company is £0.3m, which is similar to last year's figure. £0.1m of this surplus together with £0.1m from the previous year was gift-aided to the College in 2021/22 with the remaining £0.2m due to be paid over in 2022/23.

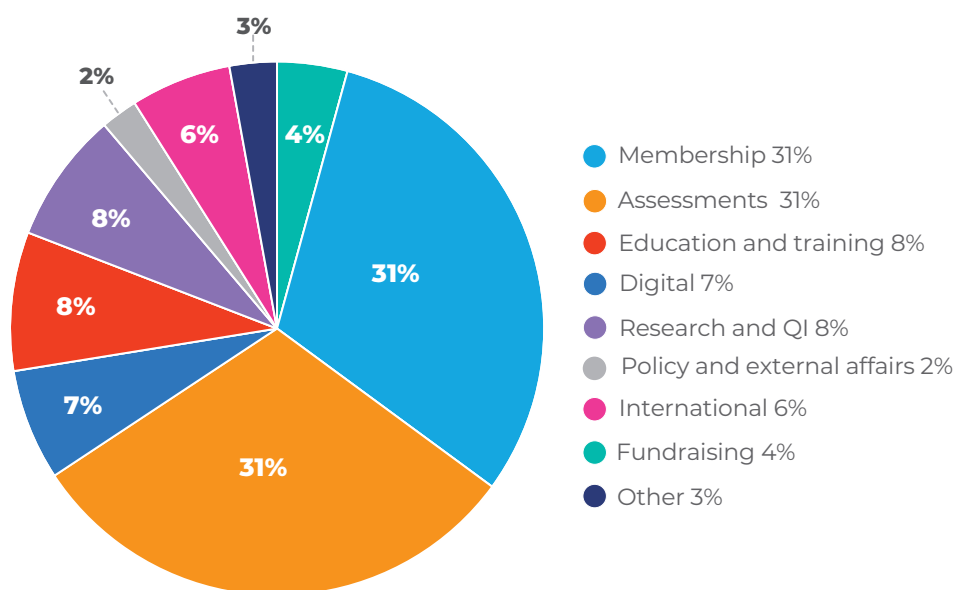
International income has increased by £0.1m (22%) to £1.1m. The RCPCH Global team are currently working with partners, UNICEF, DIFD and the James Percy Foundation in Lebanon, Myanmar, Rwanda and Sierra Leone.

Restricted income received during the year was £2.8m, an increase of £0.4m on 2020/21. Further information on restricted funds is provided in note 21a on page 43.

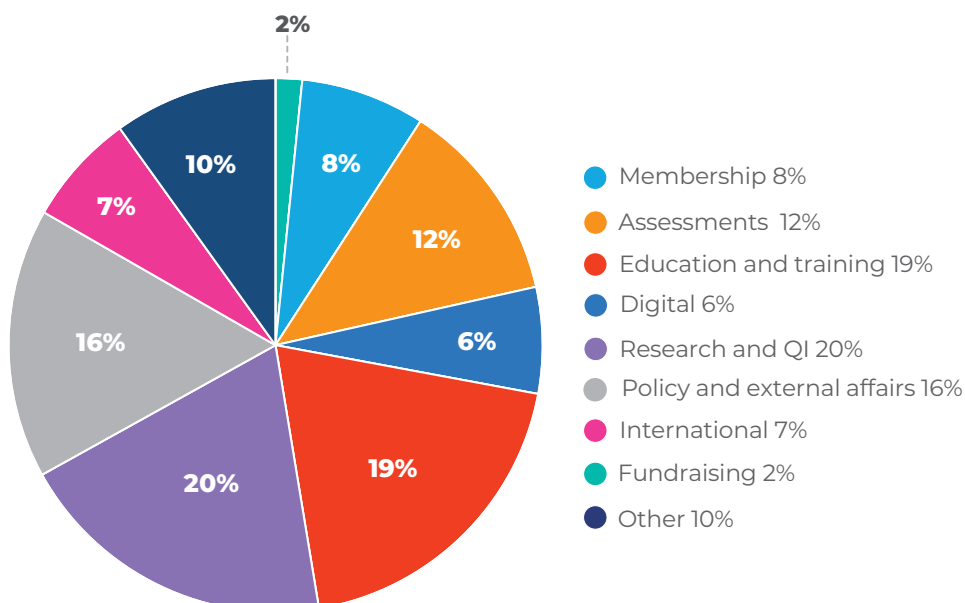
Designated income decreased to £169k, a fall of £794k on last year which is accounted for as all remaining income relating to the National Diabetes Quality Programme was received in 2020/21. The designated fund balance at 31 August 2022 is £19.1m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 43.

Total expenditure has increased by £1.2m from £14.6m in 2020/21 to £15.8m in 2021/22, reflecting an uptake in face-to-face activity over the preceding year.

This year's financial performance resulted the College's General Funds Reserve increasing to £1,973k, from £920k in 2020/21. Designated funds have risen to £19.1m.



Pie chart summarising income sources for 2021-22 – full detail in the SOFA on page 27.



Pie chart summarising expenditure areas for 2021-22 – full detail in the SOFA on page 27.

Investment policy and objectives

In 2021 the College increased its Investment Portfolio, transferring an additional £0.1m (this sum to be treated as a Non-Permanent Endowment Fund) into the portfolio managed by Abrdn (formerly Aberdeen Standard Capital). The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested and seeks to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling time-frame. The portfolio has declined in value over the past 12 months in line with the market in general and at year-end this target was not being met.

In addition to this £2.1m held in an Aberdeen Liquidity Fund, a 24-hour call, interest bearing deposit that is treated as cash in these accounts.

Premises

The College's freehold premises at 5-11 Theobalds Road were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4.0m mortgage loan with the Royal Bank of Scotland plc to fund the purchase. Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m. A valuation of the premises carried out by Knight Frank in July 2019 set the fair value at £16.8m and the related impairment was reflected in that year's accounts. In July 2022 the building was again valued by Knight Frank giving a fair value of £16.5m. No further impairment was suffered as the College now depreciates the building and its' book value is below this valuation. The College is granting a six-year lease of the first floor and part of the ground floor of the Theobalds Road offices to Blood Cancer UK which will commence in 2022/23 and generate a rental income of £225k per annum.

Reserves policy

The General Funds represent the "free" funds of the College which are not designated for particular purposes or restricted in any way; they are essentially the College's reserves. Such funds need to be held as reserves to permit a responsible reaction to uncertainties.

During 2021/22 the College reset the upper limit of its Reserves Policy from £1m to £2m. Designated funds at year end are £19.1m. Details of all designated funds together with the anticipated timing of this expenditure can be found in note 21a to the accounts. Restricted funds are £3.0m an increase of £0.4m over last year. Details of this work can be found in note 21a to the accounts.

Donations disclosure

In the 2021/22 financial year, the College received the following grants and donations in support of its activities.

NHSE/Barnardo's (Bolah Helpline for children)	£30,000
Department of Health & Social Care	£13,490
NHSE/Barnardo's	£20,000
Dinwoodie Charity	£151,277
PF Charitable Trust	£10,000
NHSE (Health & Justice Team)	£19,918

These grants and donations provided support for a number of projects including the development of healthcare standards for children and young people (CYP) in secure settings, eLearning for clinicians involved in research, safeguarding guidance on early medical abortion, and the development of targeted interventions for paediatricians to nurture resilience, leadership and wellbeing. There were also collaborative projects with Barnardo's to provide extra support for children's respiratory and acute services during autumn/winter 2021 and a youth action project for CYP to find out more about the work of the NHS. All offers of funding are reviewed under the 'RCPCH Policy for Accepting Donations/Funding' before acceptance.

Pay transparency and equality

The pay framework that the College introduced in 2020 to afford full transparency, set equal pay for equal work and recognise subject matter experts has delivered on its overarching principles. The Equality Impact Assessment continues to evidence a narrowing of gender and ethnicity pay gaps, and the work on recruitment to attract applicants from harder to reach communities has also proved successful, with the College already exceeding targets set for September 2023.

The College continues to attract high calibre external candidates and 83% of roles are filled by the preferred candidate on the first round of recruitment. The College's commitment to talent management and succession planning is also delivering with a number of staff promoted to more senior roles across the College. The College is also exceeding its targets for the number of Band D roles filled by staff from Black, Asian and other ethnic minorities set for September 2023.

Objects and activities

Purposes and aims

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

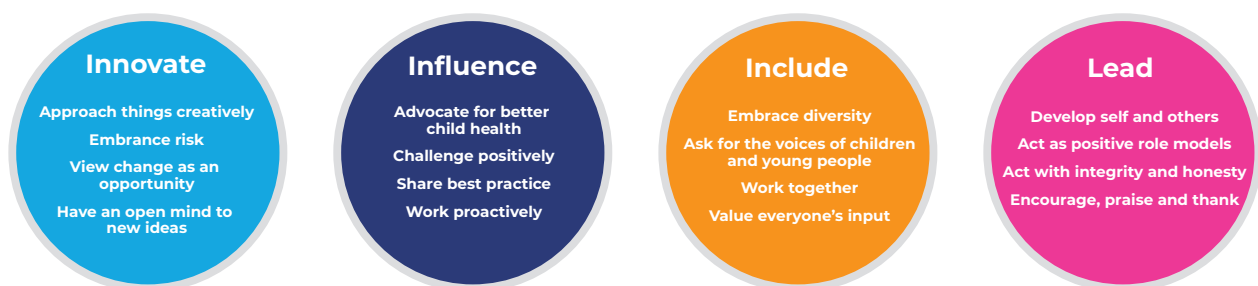
The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public benefit: running a charity* (PB2).

Vision, mission and values

Our vision is **"To transform child health through knowledge, innovation and expertise."**

This will be achieved through our mission for a healthier future for children and young people across the world and our College values of innovating, influencing, including and leading.



Structure, governance and management

The RCPCH was established under a Royal Charter, which established the objects and powers of the charitable company. The charity is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The current version of these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The Trustees delegate day-to-day management of the charity to the CEO, and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees. The senior committees of the College are as follows:

Board of Trustees

- Chaired by Joanne Shaw
- President, Registrar, Treasurer
- Four Member Trustees
- Three external Trustees, appointed to address skills gaps
- Beneficiary Trustee

Council

- Chaired by the President
- Representative body of the membership responsible for setting strategy

Executive Committee

- Chaired by the President
- Responsible for delivery of our strategy
- Senior officers
- Senior Management Team (SMT)

Audit, Finance and Risk Committee

- Chaired by the Treasurer

Remuneration Committee

- Chaired by the Treasurer
- Responsible for reviewing pay awards for CEO and Directors

Appointments Panel

- Chaired by the Chair of Trustees
- Responsible for the appointment of new Trustees

The College also has two subsidiary undertakings: British Paediatric Services Ltd (100% stake) and RCPCH Publications Ltd (50% stake). The results of these subsidiaries are consolidated in the group financial statements. Further details are given in note 13 to the accounts under 'Subsidiary Undertakings'.

All trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Any expenses reclaimed from the charity by trustees are set out in note 8 to the accounts. Trustees are permitted by the Royal Charter to receive remuneration from the RCPCH for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 8 to the accounts.

An external review of the Board of Trustees' performance, benchmarking against regulatory guidance and the Charity Governance Code, was undertaken in autumn 2020. The Trustees received its recommendations and agreed an action plan in December 2020 and has monitored progress since. The current action plan is expected to be completed by end-2022.

Appointment, induction and training of Trustees

Under the governing documents, two of the trustee posts (President and Registrar) are appointed via election by eligible College members. All other trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector. In the year under review, this process included the recruitment of Simon Meredith and Dr Tsitsi Chawatama-Kwambana.

Trustee induction and training

All trustees receive an induction upon appointment and in addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document *The Essential Trustee* (CC3).
- The RCPCH's governing and management structures, and its strategy and workplan.
- The RCPCH's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

In addition, trustees are offered appropriate training and development opportunities throughout their term.

Reference and administrative information

For the year ended 31 August 2022

Charity number:	1057744
Charity number:	SC038299
Countries of registration:	England and Wales, Scotland
Registered office and operational address:	5-11 Theobalds Road, London, WC1X 8SH

Trustees:

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ms Joanne Shaw	Chair
Dr Camilla Kingdon	President
Professor Steve Turner	Registrar
Dr Elizabeth Marder	Treasurer
Dr Carol Roberts	Member Trustee until 31 October 2021
Professor Sir Terence Stephenson	Member Trustee
Dr John Williams	Member Trustee until 31 August 2022
Dr Tsitsi Chawatama-Kwambana	Member Trustee from 1 December 2021
Dr Bhanu Williams	Member Trustee
Ms Gillian Budd	External Trustee until 31 October 2021
Mr Simon Meredith	External Trustee from 1 December 2021
Mr Adam Igra	External Trustee
Ms Sarah Watson	External Trustee
Ms Adrija Bhattacharyya	Beneficiary Trustee

Senior Management:

Jo Revill	Chief Executive Officer (until 14 October 2022)*
Emily Arkell	Director of Research and Quality Improvement
Louise Frayne	Director of People
David Howley	Director of Corporate Services (until 5 January 2022)
Paul Marchant	Director of Corporate Services (from 15 February 2022)
Richard Burley	Chief Digital Officer (from 21 January 2022)
Robert Okunnu	Director of Membership, Policy and External Affairs (until 14 October 2022) and Interim CEO (from 17 October 2022)
Daniel Waeland	Director of Education and Training
Natasha Neill	Chief of Staff
Melissa Ashe	Co-Director Membership, Policy and External Affairs (from 21 November 2022)
Selma Laklai	Co-Director Membership, Policy and External Affairs (from 21 November 2022)

Bankers: Royal Bank of Scotland plc, LONDON. WC1V 6PQ

Solicitors: DAC Beachcroft, 25 Wallbrook, London, EC4N 8AF (from 31 Dec 2020)

Auditor: Sayer Vincent LLP, Chartered Accountants and Statutory Auditor
Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

* The Board of Trustees have led the search and selection process for the appointment of the new CEO during Winter 22/23.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Royal College of Paediatrics and Child Health 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 and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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 legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 8 December 2022 and signed on their behalf by

Joanne Shaw, Chair of Trustees



Independent auditor's report to the trustees of Royal College of Paediatrics and Child Health

Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health (the 'parent charity') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements.
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

20 December 2022

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Royal College of Paediatrics and Child Health
Consolidated statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 Total £'000
Income from:									
Donations and legacies		10	266	–	276	5	2	–	7
Charitable activities									
Membership		5,461	–	–	5,461	5,503	–	–	5,503
Assessment		5,425	–	–	5,425	4,416	–	–	4,416
Digital		1,191	–	–	1,191	801	33	–	833
Education & Training		1,406	85	–	1,491	1,294	165	–	1,459
Research & QI		1	1,405	–	1,406	773	1,345	–	2,118
Policy and External Affairs		381	15	–	396	263	10	–	273
International		123	959	–	1,082	153	840	–	993
Other professional activities and standards		483	26	–	509	466	13	–	479
Other trading activities		350	69	–	419	234	–	–	234
Investments	2	58	–	–	58	34	–	–	34
Total income		14,888	2,825	–	17,713	13,942	2,408	–	16,350
Expenditure on raising funds									
Fundraising trading	4	206	46	–	252	143	23	–	166
Charitable activities		–	–	–	–	–	–	–	–
Membership	4	1,189	–	–	1,189	1,510	–	–	1,510
Assessment	4	1,946	–	–	1,946	1,987	–	–	1,987
Digital	4	955	60	–	1,015	520	–	–	520
Education & Training	4	2,953	117	–	3,070	2,204	201	–	2,405
Research & Quality Improvement	4	1,743	1,338	–	3,081	1,836	1,218	–	3,054
Policy and External Affairs	4	2,568	10	–	2,578	1,893	73	–	1,966
International	4	198	873	–	1,071	499	692	–	1,191
Other professional activities and standards	4	1511	53	0	1563				
						1,754	46	–	1,800
Total expenditure		13,269	2,496	–	15,765	12,344	2,253	–	14,597
Net income / (expenditure) before net gains / (losses) on investments		1,619	329	–	1,948	1,598	155	–	1,753
Unrealised gains / (losses) on investments	12	(208)	–	–	(208)	255	–	–	255
Net income / (expenditure) for the year	5	1,411	329	–	1,740	1,853	155	–	2,008
Transfers between funds		(18)	18	–	–	(61)	61	–	–
Net income / (expenditure) before other recognised gains and losses		1,393	347	–	1,740	1,792	216	–	2,008
Net movement in funds		1,393	347	–	1,740	1,792	216	–	2,008
Reconciliation of funds:									
Total funds brought forward		19,662	2,643	15	22,320	17,870	2,427	15	20,312
Total funds carried forward		21,055	2,990	15	24,060	19,662	2,643	15	22,320

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 20a to the financial statements.

Royal College of Paediatrics and Child Health **Consolidated statement of cash flows** **For the year ended 31 August 2022**

		The group		The charity	
	Note	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	16,918	17,082	16,918	17,082
Intangible assets	11	413	474	413	474
Investments	12	2,290	2,371	2,290	2,371
		19,621	19,927	19,621	19,927
Current assets:					
Stock		-	-	-	-
Debtors	15	2,179	2,225	2,029	2,142
Cash at bank and in hand		8,526	7,051	8,428	6,964
		10,705	9,276	10,457	9,106
Liabilities:					
Creditors: amounts falling due within one year	16	(4,867)	(5,312)	(4,778)	(5,244)
Net current assets / (liabilities)		5,838	3,964	5,679	3,862
Total assets less current liabilities		25,459	23,890	25,300	23,789
Creditors: amounts falling due after one year	18	(1,399)	(1,570)	(1,399)	(1,570)
Net assets		24,060	22,320	23,901	22,219
Funds:	21a				
Restricted and endowment funds		3,005	2,658	2,981	2,648
Unrestricted income funds:					
Designated funds		19,082	18,742	18,947	18,742
General funds		1,973	920	1,973	829
Total unrestricted funds		21,055	19,662	20,920	19,571
Total funds		24,060	22,320	23,901	22,219

Approved by the trustees on 08 December 2022 and signed on their behalf by

Joanne Shaw
Chair of Trustees

Dr Liz Marder
Treasurer

Royal College of Paediatrics and Child Health **Balance sheet** **For the year ended 31 August 2022**

Note	2022	2021
	£'000	£'000
Cash flows from operating activities		
Net income for the reporting period (as per the statement of financial activities)	1,740	2,008
Depreciation charges	555	465
(Gains)/losses on fixed assets	(21)	2
(Gains)/losses on investments	208	(255)
Dividends and interest from investments	(44)	(34)
Mortgage interest payable	18	17
(Increase)/decrease in stocks	-	15
(Increase) in debtors	46	360
(Decrease)/Increase in creditors	(445)	5
Net cash provided by operating activities	2,057	2,583
Cash flows from investing activities:		
Dividends and interest from investments	44	34
Mortgage interest paid	(18)	(17)
Purchase of tangible fixed assets	(299)	(556)
Purchase of intangible fixed assets	(32)	(53)
Purchase of investments	(840)	(1,327)
Disposals of Investments	685	336
Gain or loss of Investments	49	(25)
Net cash (used in) investing activities	(411)	(1,607)
Cash flows from financing activities:		
Repayments of borrowing	(171)	(153)
Net cash (used in) financing activities	(171)	(153)
Change in cash and cash equivalents in the year	1,475	823
Cash and cash equivalents at the beginning of the year	7,051	6,229
Cash and cash equivalents at the end of the year	8,526	7,051

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	7,051	1,475	-	8,526
a Total cash and cash equivalents	7,051	1,475	-	8,526
Loans falling due within one year	175	-	-	175
Loans falling due after more than one year	1,570	(171)	-	1,399
Total	5,307	(171)	-	6,952

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

1 Accounting policies

a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

b) 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 Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees have considered the financial position of the College recognising its healthy cash position. They have evaluated the risks that it faces and continue to hold the view that there are no material uncertainties around going concern over the next 12 months.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

1 Accounting policies (continued)

e) 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.

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legacies are recognised when the income is probable and can be measured sufficiently reliable.

f) 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.

g) Fund accounting

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	11.86%
● Assessment	17.86%
● Digital	7.52%
● Education and Training	19.06%
● Research & Quality Improvement	19.17%
● Policy & External Affairs	12.47%
● International	5.42%
● Other professional activities	6.64%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

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

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Fixtures	5 years
● Office equipment	10 years
● Fittings and Refurbishment	10 years
● IT hardware	3 years
● Intangibles – Database & Software	5–7 years
● Website	7 years
● Building	50 years

n) 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. 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.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

1 Accounting policies (continued)

o) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) 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.

q) 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.

r) 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.

s) Financial instruments

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.

t) Pensions

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

2 Income from investments

	2022 Total £'000	2021 Total £'000
Interest on Bank Deposits	44	34
	44	34

All income from investments is unrestricted.

3 Grants

	Balance at 1 September 2021 £'000	Received in year £'000	Balance at 31 August 2022 £'000	Income £'000
Group and College				
Government & government agencies	190	1,211	8	1,393
Other grants	68	798	7	859
	258	2,009	15	2,252

Income from grants is included in restricted funds incoming resources as follows:

	2022 Total £'000	2021 Total £'000
Children & Young People	26	13
Education & training	67	157
Research & QI	1,315	1,062
International	829	665
Policy and External Affairs	15	10
Total income from grants	2,252	1,909

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

4a Analysis of expenditure (current year)

	Charitable activities												
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	2022 Total £'000	2021 Total £'000
Staff costs	–	384	991	268	2,014	2,025	1,685	345	1,293	–	–	9,005	8,510
Other direct costs	252	477	461	539	529	526	548	576	56	31	–	3,995	3,190
<i>Other allocated costs:</i>													
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	557	557	486
Information and technology	–	–	–	–	–	–	–	–	–	–	1,166	1,166	1,549
Finance	–	–	–	–	–	–	–	–	–	–	278	278	225
Corporate services	–	–	–	–	–	–	–	–	–	–	764	764	637
	252	861	1,452	807	2,543	2,551	2,233	921	1,349	31	2,765	15,765	14,597
Support costs	–	328	494	208	527	530	345	150	183	–	(2,765)		–
Governance costs	–	–	–	–	–	–	–	–	31	(31)	–	–	–
Total expenditure 2022	252	1,189	1,946	1,015	3,070	3,081	2,578	1,071	1,563	–	–	15,765	14,597
Total expenditure 2021	166	1,510	1,987	520	2,405	3,054	1,966	1,191	1,800	–	–		14,597

* This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

4b Analysis of expenditure (prior year)

	Charitable activities											
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	2021 Total £'000
Staff costs	-	425	806	356	1,795	1,952	1,467	454	1,255	-	-	8,510
Other direct costs	166	692	743	55	104	552	181	591	85	21	-	3,190
<i>Other allocated costs:</i>												
Premises & Facilities	-	-	-	-	-	-	-	-	-	-	486	486
Information and technology	-	-	-	-	-	-	-	-	-	-	1,549	1,549
Finance	-	-	-	-	-	-	-	-	-	-	225	225
Corporate services	-	-	-	-	-	-	-	-	-	-	637	637
	166	1,117	1,549	411	1,899	2,504	1,648	1,045	1,340	21	2,897	14,597
Support costs	-	393	438	109	505	549	318	146	439	-	(2,897)	-
Governance costs	-	-	-	-	-	-	-	-	21	(21)	-	-
Total expenditure 2022	166	1,510	1,987	520	2,405	3,054	1,966	1,191	1,800	-	-	14,597

* This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

5 Net income / (expenditure) for the year

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation/Amortisation	555	465
Revaluation of fixed asset	-	-
Gains/loss on disposal of fixed assets	21	2
Interest payable	22	16
Operating lease rentals:		
Property	11	35
Other	12	52
Auditor's remuneration (excluding VAT):		
Audit	20	18
Other services		3
	9,049	8,510

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

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	7,506	7,095
Social security costs	838	769
Employer's contribution to defined contribution pension schemes	618	585
Redundancy and termination costs	87	61
	9,049	8,510

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	7	3
£70,000 – £79,999	2	3
£80,000 – £89,999	2	4
£90,000 – £99,999	1	-
£100,000 – £109,999	-	-
£110,000 – £119,999	-	-
£120,000–£130,000	-	-
£130,000–£140,000	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £738,496 (2021: £825,313). No trustee received any remuneration as part of this figure.

No (2021: none) trustees received payment (2021: 0) in relation to work carried out under the Invited Review programme. No other trustees either received or waived any emoluments during the year (2021: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £13,151 (2021: £862) incurred by 6 (2021: 2) members relating to attendance at meetings of the trustees.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities. The gender split in the College workforce is 75% female 25% male (2021: 73% female 27% male) and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

Royal College of Paediatrics and Child Health **Notes to the financial statements** **For the year ended 31 August 2022**

Staff are split across the activities of the charity as follows (head count basis):

	2022 No.	2021 No.
Membership	4	5
Policy & Ext Affairs	27.9	25.8
Examinations	16.3	14.8
Education & Training	41.3	38.8
Research & QI	40.5	37.4
International	5.0	4.2
Digital	10.4	10.4
Support	44.9	41.2
	190.3	177.6

8 Related party transactions

Jo Revill, CEO of RCPCH, was a Trustee of Science Media Centre (SMC).

On the 15/09/2021 the College made a payment of £2,500 to the Science Media Centre.

Dr Camilla Kingdon, President and a Trustee of the College is an employee at Evelina London Children's Hospital.

On 12/10/2021, The College received £36 from Evelina London Children's Hospital in relation to a CPD Approval Fee.

As at 31/08/2022 the following payments remained outstanding to the college:

£130 in relation to a delegate fee for registration of an EPD course

£450 in relation to registration fees for a CPD course

Professor Steve Turner was appointed Registrar as of 30 March 2021 and he is a Consultant Paediatrician in general & respiratory paediatrics at Royal Aberdeen Children's Hospital. He chairs the NHS Grampian consultant sub-committee and is regional clinical lead for child health.

During the Financial year, the College received a total of £390 from the NHS Grampian as payment for three CPD course delegates.

Dr Carol Roberts who was a Member Trustee of RCPCH until 31/10/2021, is a National Medical Director Appraiser at NHS England.

On 26/11/2021, £108,000 was received from the NHS England as funding for the review and update of the 'Purple Book'.

Professor Sir Terence Stephenson, a Member Trustee of the College, is the Nuffield Chair of Child Health at University College London Institute of Child Health and is an Honorary Consultant Paediatrician at University College Hospital and Great Ormond Street Hospital. He is also a Fellow of Royal College of Physicians and Honorary Fellow of Royal College of Surgeons.

As at 31/08/2022, £1,552 remains outstanding from GOSH and owed to the College in relation to Associate membership and training fee.

The College received payments amounting to £5,249 in relation to Associate and Members Training fees

As at 31/08/2022, £29,909 remains outstanding from University College London (UCL) owed to the College as their contribution towards Grant ref:NIHR202322. Additionally £346 remains outstanding from Royal College of Surgeons for ILM training courses.

The College received £12,500 from UCL – Child health as the annual grant contribution for the work of the BPSU. This was invoiced on 18/08/2021.

The College received £7,500 from Royal College of Physicians in relation to funding for the Asthma Audit. As at 31/08/2022, £1,500 remains outstanding.

The College received £10,508 from Royal College of Surgeons in relation to the provision of various Leadership courses.

BPSL received £16,800 from GOSH in relation to MTI sponsorship fees. As at 31/08/2022, £52,080 remains outstanding from GOSH and owed to BPSL in relation to the MTI sponsorship fees.

Royal College of Paediatrics and Child Health **Notes to the financial statements** **For the year ended 31 August 2022**

8 Related party transactions (continued)

Dr Carol Roberts, a Medical Director Appraiser from NHS England where the college received £9,931 for the support Health and Justice Children project.

Dr Bhanu Williams, a Member Trustee of the College, is employed by London Northwest University Healthcare NHS Trust (LNWH NHS Trust) and is part-time seconded to Health Education England (HEE).

The following payments were received from HEE during the financial year:

£2,166.67 for the supply of Effective Education Supervision training materials
£3,600 in registration fees for a CPD course.

£15 was written off in the financial period for an invoice issued to LNWH NHS Trust owed to RCPCH for a Fellowship study day (CPD) issued on 18/02/2020.

Adam Igra, an independent Trustee of the College from October 2020 is Director of Innovation at Guy's & St. Thomas' NHS FT. The Following payments were received from the Institute to College or BPSL during the 2021/2022 financial year;

£4,800 in relation to MITI sponsorship fees (invoiced in the previous financial period) received in BPSL
£6,720 in relation to MITI sponsorship fees which £3,360 each was received in College and BPSL
£5,249 received in college for Associate members and training fee

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2022 £'000	2021 £'000
UK corporation tax at 19%	-	-

10 Tangible fixed assets

The group and college

	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
Cost or valuation				
At the start of the year	1,401	331	16,799	18,531
Additions in year	203	96	-	299
Disposals in year	(235)	-	-	(235)
At the end of the year	1,369	427	16,799	18,595
Depreciation				
At the start of the year	977	-	472	1,449
Charge for the year	187	39	236	462
Loss on impairment	-	-	-	-
Eliminated on disposal	(234)	-	-	(234)
At the end of the year	930	39	708	1,677
Net book value				
At the end of the year	439	388	16,091	16,918
At the start of the year	424	331	16,327	17,082

Land with a value of £5,000,000 (2021: £5,000,000) is included within freehold property and not depreciated.

Any properties held at valuation were last valued on 31 July 2022 by Knight Frank.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2021 – £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

11 Intangible fixed assets

The group and college	IT Software	Total
Cost	£'000	£'000
At the start of the year	938	938
Additions in year	32	32
Disposals in year	–	–
At the end of the year	970	970
Amortisation		
At the start of the year	463	463
Charge for the year	93	93
Eliminated on disposal	–	–
At the end of the year	556	556
Net book value		
At the end of the year	413	413
At the start of the year	474	474

12 Listed investments

	The group and charity	
	2022	2021
	£'000	£'000
Fair value at the start of the year	2,323	1,077
Additions at cost	840	1,327
Disposal proceeds	(685)	(336)
Net gain / (loss) on change in fair value	(208)	255
	2,270	2,323
Cash held by investment broker pending reinvestment	20	48
Fair value at the end of the year	2,290	2,371
	2022	2021
	£'000	£'000
Aberdeen Money Market	378	620
Gilts	72	56
Listed shares on stock exchange	1,820	1,647
Cash	20	48
	2,290	2,371

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

13 Subsidiary undertaking

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Elizabeth Marder is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians.

	2022		2021	
	RCPCH Publications	BPSL	RCPCH	BPSL
	£	£	£	£
Turnover	200,463	419,013	231,402	266,697
Cost of sales and administrative expenses	(39,032)	(159,682)	(38,353)	(49,674)
Operating profit	161,431	259,331	193,049	217,022
Interest receivable	57	89	15	22
Net profit	161,488	259,420	193,064	217,044
Charitable trading funds				
Balance at 1 September	–	100,044	–	91,116
Net profit	161,488	259,420	193,064	217,044
To be gifted to College for year ended 31	(80,744)	(200,044)	(96,532)	(208,116)
To be gifted to NPPG for year ended 31	(80,744)	–	(96,532)	–
Balance at 31 August	–	159,420	–	100,044

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2021 – £42,000) for College staff, newsletter advertising and facilities used.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022	2021
	£'000	£'000
Gross income	17,453	16,292
Result for the year	2,107	1,745

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

15 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	386	890	198	771
Other debtors	658	344	656	344
Amounts due from associated undertakings	82	98	121	148
Prepayments	587	432	587	419
Accrued income	466	461	467	460
	2,179	2,225	2,029	2,142

16 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Mortgage loan	193	175	193	175
Trade creditors	641	509	641	507
Taxation and social security	349	379	349	371
Accruals	355	744	378	737
Deferred income (Note 17)	3,329	3,505	3,217	3,454
	4,867	5,312	4,777	5,244

17 Deferred income

Deferred income comprises of examination income and invoices from other services.

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	3,505	4,298	3,454	4,286
Amount released to income in the year for				
Membership subscriptions	(1,387)	(1,357)	(1,388)	(1,405)
Amount released to income in the year exams and invoices	(5,078)	(5,584)	(4,986)	(5,550)
Amount deferred in the year	6,289	6,148	6,137	6,123
Balance at the end of the year	3,329	3,505	3,217	3,454

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

18 Creditors: amounts falling due after one year

	The charity 2022 £'000	2021 £'000
Mortgage loan	1,399	1,570
	1,399	1,570
Analysis of mortgage loan not wholly within 5 years by instalments		
In more than one year but not more than	175	175
In more than two years but not more than	522	522
In more than five years	702	873

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 10.49% (2021- 11.23%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

Interest was charged at 6.40% on the first £2,500,000 for the period to 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £618,000 (2021:£569,000).

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	16,918	-	-	16,918
Intangible assets	-	413	-	-	413
Investments	-	2,290	-	-	2,290
Net current assets	1,973	860	2,990	15	5,838
Long term liabilities	-	(1,399)	-	-	(1,399)
Net assets at 31 August 2022	1,973	19,082	2,990	15	24,060

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	17,082	-	-	17,082
Intangible assets	-	474	-	-	474
Investments	-	2,371	-	-	2,371
Net current assets	920	385	2,643	15	3,963
Long term liabilities	-	(1,570)	-	-	(1,570)
Net assets at 31 August 2021	920	18,742	2,643	15	22,320

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

21a Movements in Funds (current year)

	At 1 September 2021 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2022 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	-	-	-	15
Non-Permanent Endowment Fund					-
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	-	-	21
Policy & External Affairs Funds	36	23	-	(18)	41
Non-Permanent Endowment Fund		100		(8)	92
Corporate Services					
Child Health Research Fund	124	-	-	(90)	34
Fundraising	18				18
International					
International Projects	231	960	(848)	33	376
El Shamy Bequest	500	150	(33)	-	617
Education & Training					
Other Education & Training Funds	251	85	(117)	-	219
Research & QI					
Research & QI Funds	1,035	1,415	(1,359)	(38)	1,053
RCPCH contribution to Newlife	-			45	45
Digital					
Royalties from PCHR	335	65	(86)	10	324
Other Digital Funds				18	18
CEO					
CYP Participation	62	26	(52)	66	102
Total restricted and endowment funds	2,658	2,824	(2,496)	18	3,005
Unrestricted Funds					
Business Development					
International Training Fund	23	-	(4)	-	19
Overseas Levy	15	123	(90)	(33)	15
Education & Training					
CPD Diaries Fund	12	-	-	-	12
Exam Booking System Fund	26	-	-	-	26
Research & QI					
Diabetes QAQI	727	-	(488)	-	239
R&QI Project Work				55	55
Other					
Committed Expenditure Fund	75	-	-	-	75
General Donations Fund	71	2	-	-	73
Writing Down Reserve	846	-	(321)	328	853
Charitable Trading Subsidiary Fund	-	351	(215)	(136)	-
Building Fund	14,718	-	(236)	-	14,482
Infrastructure Fund	1,122	-	(232)	870	1,760
Strategy Fund	673	-	(9)	300	964
Paediatrics 2040	-	-	-	-	-
Flexible Project Fund				250	250
Holiday Pay Accrual Fund	146	-	-	(38)	109
Investments		44	(18)	45	71
Unrealised Movt on Investments	287		(208)		79
		14,368	(11,657)	(1,659)	
General Funds	921				1,973
Total Unrestricted Funds	19,662	14,888	(13,477)	(18)	21,055
Total Funds	22,320	17,713	(15,973)	-	24,060

The narrative to explain the purpose of each fund is given at the foot of the note below.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2022

21b Movements in Funds (reinstated prior year)

	At 1 September 2020 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 30 August 2021 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	45	–	(15)	–	30
Other Awards & Prizes	27	12	–	(18)	21
Policy & External Affairs Funds	32	4	–	–	36
Corporate Services					
Child Health Research Fund	186	–	(18)	(134)	34
Fundraising				18	18
International					
International Projects	83	840	(692)	–	231
El Shamy Bequest	500	–	–	–	500
Education & Training					
Other Education & Training Funds	292	165	(201)	(5)	251
Research & QI					
Research & QI Funds	813	1,351	(1,218)	89	1,035
RCPCH contribution to Newlife				90	90
Digital					
Royalties from PCHR	375	22	(62)		335
CEO					
CYP Participation	74	13	(46)	21	62
Total restricted and endowment funds	2,442	2,407	(2,252)	61	2,658
Unrestricted Funds					
International Funds					
International Training Fund	25	–	(2)	–	23
Overseas Levy	12	154	(151)	–	15
Education & Training					
CPD Diaries Fund	12	–	–	–	12
Exam Booking System Fund	61	–	(35)	–	26
Research & QI					
Diabetes QAQI	432	772	(477)	–	727
Other					
Committed Expenditure Fund	75	–	–	–	75
General Donations Fund	66	5	–	–	71
Writing Down Reserve	801	–	(231)	276	846
Charitable Trading Subsidiary Fund	–	234	(144)	(90)	–
Building Fund	14,954	–	–	(236)	14,718
Infrastructure Fund	631	–	(9)	500	1,122
Strategy Fund	263	–	(33)	443	673
Paediatrics 2040	6	–	(6)	–	–
Holiday Pay Accrual Fund	154	–	(154)	146	146
Unrealised gains and losses on investments	32	255	–	–	287
General Funds	345	12,778	(11,103)	(1,100)	921
Total Unrestricted Funds	17,870	14,198	(12,345)	(61)	19,662

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

Purposes of endowment and restricted funds

Permanent Endowment Funds comprise the Michael Blacow Memorial Fund and the James Spence Medal Fund. They are in respect of endowments received by the British Paediatric Association transferred to the College at its inception together with a subsequent donation from Mr Peter Blacow to enable the Michael Blacow Memorial Fund to maintain the value of its awards in future. The income generated by these funds is included in Other Awards and Prizes restricted income and is used to further the charitable objectives of the College.

Paul Polani Fund arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by funding an award.

Other Awards and Prizes is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

Child Health Research Fund is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

El Shamy Bequest is a amount given to the College to fund Child Health Projects in the Palestinian Territories

International Projects represents the balances held on all Global Health team projects.

Education & Training and Research & Policy Funds are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions. **CYP Participation Fund** is a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

Overseas Levy was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System – holding duration fully expended in 2020–21.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary holding duration fully expended in 2020–21.

Committed Expenditure fund to meet specific commitments related to College infrastructure – holding duration indeterminate.

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £73,000 (2021 – £71,000) – holding duration indeterminate.

Writing-Down Reserve is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

Flexible Project Fund – funds set aside to fund one-off in-year emergency projects as determined and approved by the Executive Committee.

Fixed Asset Fund identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

Infrastructure Fund – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – these funds will be expended year by year as the College delivers its digital strategy but will also be replenished on an ongoing basis.

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan including the Future Paediatrician project – holding duration life of the three-year plan i.e. to 2020–21.

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2020 holding duration fully expended 2021–22.

General Funds represent the free funds of the College which are not designated for particular purposes.

**Royal College of
Paediatrics and Child Health**

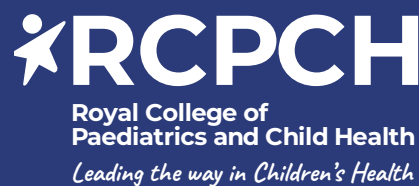
Report and financial statements for the year ending 31 August 2022

Published December 2022

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The Royal College of Paediatrics and Child Health (RCPCH) is a registered charity in England and Wales (1057744) and in Scotland (SC038299).



Accounts

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements for the year ended 31 August 2021

Published December 2021



Table of contents

Introduction	3
Achievements and performance	4
Summary.....	4
Impact.....	5
Volunteers.....	9
Fundraising.....	9
Principal risks and uncertainties.....	9
Plans for future periods	11
Objectives for 2021/22.....	11
Financial review	13
Financial overview.....	13
Investment policy and objectives.....	15
Premises.....	16
Reserves policy.....	16
Donations disclosure.....	16
Pay transparency and equality.....	16
Objects and activities	18
Purposes and aims.....	18
Vision, mission and values.....	18
Structure, governance and management.....	18
Appointment, induction and training of trustees.....	20
Reference and administrative information	21
Statement of trustees' responsibilities	22
Independent auditor's report to the trustees of the Royal College of Paediatrics and Child Health	24
RCPCH Financial statements and notes for the year ending 31 August 2021	29

Introduction

When writing the welcome statement to the last annual report, none of us quite envisaged that we would still be working in such extraordinary times a year later. The pandemic has continued to bring many challenges – and we have continued to respond to the ongoing need for advice, resources and advocacy relating to COVID-19 and the considerable impact of the pandemic on the lives of our children and young people. We are aware that our members are working incredibly hard to maintain and restore services, and the College has also been busy throughout the past twelve months, to provide support to our members whilst continuing in our efforts to ensure the best outcomes for the health of children and young people. At the same time we have endeavoured to restore business as usual, in areas such as examinations and events, as well as reviewing our progress in equality and diversity, launching our climate change programme, undertaking major refurbishments to the College offices and developing our 2021-2024 strategy.

2021 was our 25th birthday as a Royal College and an opportunity to reflect on what had been achieved over the past 25 years. It also brought to an end the first 5 years of our new governance structure, and the end of Dame Mary Marsh's term as the first Chair of Trustees of the College. We would like to publicly thank her for everything that she empowered the College to achieve during her five year tenure. Dame Mary constantly ensured that the voice of the child was part of every decision at the College and is a principle that will continue to make a real difference to everything that we do.

Through the following pages the Trustees of the College present their report and the audited financial statements for the year ended 31 August 2021.

The financial statements reflect the prudence shown during the 2020/2021 reporting year. The strong financial performance has allowed us to rebuild activities fundamental to the College and will allow investment in new areas of work over the years to come. The Trustees are confident in the sustainability of the College over the next 12-24 months, following a review of a multi-year, forward looking budget.

This Trustees' Annual Report and Financial Statement retain the format introduced last year and we hope it provides a clear narrative to show the impact the College has had over the past twelve months. We will also be publishing our 2021 Annual Review for publication in spring 2022 where we will share even more of the visual story behind our achievements. Reference and administrative information set out on page 21 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



Joanne Shaw
Chair of Trustees



Liz Marder
Treasurer

Achievements and performance

Summary

Our approach to 2020-21 to restore business as usual, reset our priorities and recover sustainably allowed us to operate within the COVID-19 global pandemic with innovative solutions that safeguarded our activity. Over the past twelve months the paediatric workforce has faced extraordinary challenges coupled with rising child poverty and health inequalities. The work of the College has empowered and supported members and child health professionals, making a real difference to the lives of children and young people globally.

Prioritising digital transformation and supporting College staff in remote working allowed our vital work to continue at pace and helped us reach out to many members. From January 2021 the College was able to offer virtual theory examinations to both UK and overseas candidates with virtual clinical examinations offered to UK candidates from February 2021. Moving our RCPCH Conference and Exhibition online reached over 1700 delegates with over 700 posters and a strong list of speakers throughout the three days in June 2021. Our first virtual International Conference in Singapore, held in March, was also a great success with over 700 registrations. Advocacy work across COVID-19 in all four UK nations involved working closely with colleagues in the NHS, departments of health and Chief Medical Officers. Providing input and evidence on topics like shielding criteria, long COVID and vaccination allowed the College to influence decision making at the highest levels. We also supported our members to navigate the many changes to government policy around COVID-19 with regular updates to our websites and member webinars.

Listening to the voice of our members remains at the heart of everything we do, and this year projects focused on climate change and equality, diversity and inclusion (EDI) have been embedded in College activity to respond to the challenge from members. The climate change initiative, a new focus for us, is now working to develop plans for advocacy, research, members, sustainability and international perspectives. The Working for Change programme for our EDI activity was published in March with very full engagement from across our membership. This work has been boosted by the election of our new President, Dr Camilla Kingdon, who has set both issues as strategic priorities for her term in office.

Through tailored engagement with children and young people, College Council members and Trustees we have developed a strategy for the next three years that will meet the needs of members and improve the health and wellbeing of children and young people. Our strategy will guide our work until August 2024 and we will continue to reflect on our successes and where we need to invest more time and attention, alongside ensuring our goals continue to reflect the priorities of our members.

Impact

As an organisation whose impact cannot be measured by numbers alone, the College has sought to identify meaningful numbers that illustrate progress across some of our key areas of priority. Last year we set six Key Performance Indicators (KPIs) and committed to tracking these over multiple years to track our long term impact across child health.

The KPIs for 2020-21 are as follows:

The number of people that attend our online and face-to-face educational training courses	Target: 1174 Achieved: 1395 course (plus 1864 webinar delegates) By moving our courses online we've exceeded our 1173 attendees in 2019/20 and achieved our target.	 Met or exceeded target
Our Unique Personal Engagement (UPE) score, including online engagement	Target: 18% Achieved: 46% Our target has grown from a 15.2% UPE score in 2019-20 to 46%. The huge rise in this number was due to members joining us remotely for activities from across the world, with unprecedented demand due to pandemic restrictions.	 Met or exceeded target
Number of members	Target: 5% growth Achieved: 3.1% growth, from 19,855 to 20,479 Given the difficulties faced in year due the pandemic and the impact on examinations, 3% growth is a good achievement given our ambitious target.	 Missed by over 5% of target
Number of members worldwide taking our examinations	Target: 7844 Achieved: 8232 We've exceeded our 7843 examinations sat in 2019-20, but this is predominately from candidates undertaking written exams given the impact of COVID restrictions on clinical exams where our international members are still experiencing long waitlists.	 Met or exceeded target
The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees	Target: 17.8% Achieved: 16.1% Our income diversification has decreased from 17.8% in 2019-20 to 16.1%. The pandemic impacted non-member related income from sources such as room hire and annual conference sponsorship and stand income. In addition, the College's decision to pause the invited review programme has impacted on income diversification further.	 Missed by over 5% of target
Our staff engagement score, as measured through our all-staff surveys	Target: 7.3 Achieved: 7.0 Although we improved on our engagement score of 6.9 from 2019-21, we did not meet our target. Given the year was spent remote working, this was not unexpected and measures are being put in place to nurture improved engagement in future years.	 Missed by under 5% of target

In order to ensure the RCPCH's strategic vision and charitable goals, as set out in its Royal Charter and Strategy could be achieved in a pandemic, the College developed a business recovery plan to return to business as usual after the initial impact of COVID-19. An assessment of how well we achieved our objective to reset priorities, restore business as usual and recover sustainably is included in the narrative below.

Resetting priorities

Member representation and support

Supporting our members has been a priority for this year and alongside our growth in membership numbers we've also seen strong retention figures of 97.6%, an increase compared to 96.8% from 2019-20. Listening to our members and taking action across areas important to them like equality, diversity and inclusions and climate change has also been part of our work for this year, enabling us to build on this in our future strategy.

Retention and wellbeing

To provide clinical oversight in this area, Dal Hothi was appointed as the College's first Officer for Lifelong Careers and is taking forward implementing an agreed framework for supporting paediatricians in having sustainable careers in which their wellbeing is protected. Funding was secured from the Dinwoodie Trust to conduct comprehensive analysis of historic census data and design an exit interview process, to aid the understanding of attrition in the consultant and SAS (staff grade, associate specialist and speciality doctors) workforce. Wellbeing initiatives have been shared with members via our in house magazine, including features on women in medicine from Dr Lizzie Wortley and sleep from Dr Mike Farquhar.

Improving standards and quality

The College continued to carry out a wide range of research and evidence programmes and audits to inform the development of policy, service delivery, clinical standards, patient information and quality improvement initiatives to improve child health and support the paediatric workforce. Development of a quality assurance portal to enable data collection against service standards was undertaken and the new [Data Portal](#) received positive feedback for its live reporting tool from external users of the diabetes self-assessment process.

Workforce need

Our Impact of COVID-19 on Child Health Services project was published online and gained considerable attention, picked up by MPs and discussed at the House of Commons.

Restoring business as usual

Enabling progression of the future paediatric workforce

The transition to being able to support home invigilated theory exams supported the progression of our UK and international members whilst ensuring examination standards were maintained and user experience was positive. Clinical exams remained a resource-intensive process to run online and were only available to UK members due to the impact of the pandemic but all career critical doctors in training were accommodated. The START assessment moved online and has been able to accommodate all career critical doctors in training and move on to being available for those earlier in training.

Influence and impact

In addition to policy work on COVID-19, the College worked to support policy change at a local and national level, including a response to the Duty of Candour consultation being undertaken by the Northern Ireland Executive. Over the past year, we have worked in partnership with a range of organisations to call on the government to extend provision to free school meals to vulnerable children during the school holidays. We also published a 'one year on' update to the 2020 State of Child Health report as well as an updated position statement on breastfeeding and guidance on Fabricated and Induced Illness/Perplexing Presentations. The College also used its voice to advocate for paediatricians, children and young people in global events, issuing statements on [political events in Myanmar](#), the impact of [COVID-19 in India](#) and the [situation in Afghanistan](#).

CYP voice

The involvement of children and young people (CYP) continued to be of vital importance in all work undertaken by the College. In the first fully digital year 561 children, young people and parent/carers were involved with RCPCH, volunteering 990 hours on RCPCH areas of work. The move to digital has decreased our total engagement figures from 2,837 children and young people in 2019-20 – but new metrics have been developed to aim to quantify the type of engagement achieved going forward. The voice of children often wasn't included at a national level during the pandemic, but the College developed a suite of products to ensure that their views were known to our members and to national policy-makers.

Utilising digital technologies to support face to face delivery

Delivering our training courses online ensured members could continue their professional development and over 80% of our delegates stated that they can somewhat or significantly apply new learning to practice as a result of the courses they attended. We continued to utilise microsites in the development of projects such as the workforce census and e-learning platform.

Recovering sustainably

Rebuilding reserves

Financial performance for the 2020/21 financial year is positive with a surplus of £2.0m. This is a very positive position for the College to be in after a sizable deficit in 2019/2020 due to the pandemic. This surplus will ensure the College meets its reserves policy this year, and in addition allow the College to increase its designated funds to support the new College strategy.

Work was undertaken to consider the financial outlook over the next three years to support the strategy and allow the Board of Trustees to consider potential areas for investment over the lifetime of the new strategy.

COVID-secure return

The College responded to changing Government guidelines during the reporting year to enable the safe working of staff, offering a limited opening of the building whenever possible to support those who found working from home difficult. To support the transition to hybrid working for all staff once restrictions are lifted, the building closed in the summer of 2021 for building works to facilitate a return to an office equipped for hot desking. With remote working now part of the future of the College, a fund was launched to provide additional IT and furniture support for staff.

Organisational culture

Supporting, developing and embedding a positive staff culture was critical to delivering our organisational strategy as is encouraging and supporting employee advocacy. To embed this approach an Employee Forum was established with Divisional representation together with representatives from each of our staff networks. Utilising our staff intranet to support teamwork and collaboration, as well as establishing a full Employee Forum, we produced project specific areas for change programmes within the organisation and an open culture of sharing best practice. Celebrating success is an important element and our refreshed staff awards saw an increase in nominations from 50 to over 110. Growing our own talent continued with nine secondments offered over the year. We have continued to invest in staff and all training was migrated to online during the pandemic.

Operational safeguarding

The College continued to deliver its core services to a high standard and extend its reach to advance its charitable objects. This impact was only possible due to the ongoing high-level support provided by finance, governance, information services, information governance and people services. Working with partners like Medicines for Children, HQIP and Unicef allowed us to utilise the expertise of our colleagues where appropriate. Global and national safeguarding audits were also undertaken to ensure organisational compliance with best practice and mandatory staff training in 'Safer Working Practices' was developed and delivered.

Volunteers

The College relies on an estimated 4,000 volunteers to achieve its objectives and we are incredibly grateful and indebted to all the individuals who work with us. This includes the children, young people, parents and carers that form our RCPCH&Us network, the many clinicians that sit on our over 70 committees and those members who act as UK and overseas examiners, tutors, regional advisers or assessors.

"It was a privilege to share my perspective on RCPCH's Working for Change reports as a Paediatrician with a long term health condition."

Dr Sophie Jackson, member of the Equality Diversity and Inclusion Member Reference Group

These volunteers provide many hours' work towards achieving the charitable objects of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related.

Fundraising

Fundraising at the College remains a crucial step in ensuring a diverse income portfolio and during the year £77,323 was raised.

Legacy donations from members of the College formed the majority of the fundraising income and allowed support for a wide range of activity. Ensuring clear signposting and a clear supporter journey for future pledges of legacy income is a fundraising priority.

Trust and foundation fundraising continue to be a major focus. The team successfully secured funding to support childhood obesity webinars and an update of the Medicines for Children information leaflets.

In all fundraising activity, the College abides by relevant regulation and codes and there were no fundraising complaints received during the year. The College does not undertake direct fundraising from the public or through any third-party organisations.

Although the COVID-19 pandemic presented significant fundraising challenges for the College, the team has continued to build on its fundraising capabilities and is looking to expand this in the 2021-22 financial year.

Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. This area of work has been a particular area of focus for the Board since it was first constituted in November 2016. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Management Team. Building on the progress described in recent years' reports about managing risk, and taking into account best practice in the sector, a strategic and operational risk register are maintained by the organisation, complemented by additional registers for extensive projects or emerging issues, such as COVID-19.

The major risks included in the strategic and operational risk registers across the course of the year to 31 August 2021 cover the impact of COVID-19, staff capacity, the invited reviews service and the visibility of child health. Further detail on the risks to the College and mitigation that we have put in place to reduce those risks are as follows:

Risks	Mitigation
The potential financial impacts of the COVID-19 pandemic, both on individual activities (such as exams and conferences) and on the College's agreed Reserves Policy and the effects of the COVID-19 pandemic on the workload and wellbeing of College members, volunteers, and staff.	Regular governance oversight, active engagement with the health departments in the UK nations and other relevant bodies. A separate risk register allowed for closer oversight of the many specific short-term risks during the pandemic.
Capacity issues across the College impact on the ability to deliver key work - particularly support of clinical examinations and delivery of international exams. This also includes our reliance on volunteers to advise and support so many activities at a time of considerable service pressure	Frequent discussions at Senior Management Team to review capacity and Board of Trustees approval for increased support within examinations team. Ongoing plans to develop decision making tools to support capacity limits.
Historical invited reviews undertaken by the College.	Clear internal lines of communication. Regular Trustee and Senior Officer oversight of issues as they are highlighted. Legal expertise sought when required. External review of invited reviews service.
That child health will not be seen as a sufficiently important priority by those responsible for setting UK health policy.	Working with, informing and influencing government and Arm's Length Bodies (ALBs). Ongoing policy and communications activity about the work of the College to ensure the importance of child health is highlighted and delivery of Paediatrics 2040.

Risk management is highlighted to new trustees during their induction process as one of their major responsibilities. The staff leads for the risk management process are the CEO and the Chief of Staff. The Board has adopted a formal Risk Policy setting out responsibilities in this area and reviewed this policy during the reporting period.

The operational risk register is maintained by the Chief of Staff and reviewed monthly by the Senior Management Team (SMT). It consists of risks that have arisen in the course of the College's everyday work that are of significance for the organisation. Each risk is assigned an SMT owner, who is responsible for implementing appropriate mitigation for the risk. Operational risk register items are included in regular reports from the CEO to the Executive Committee and the Board of Trustees, at which it is scrutinised. The strategic risk register contains the risks that present a longer-term (and often an external) challenge to the College's continuing ability to fulfil its charitable objectives. This is maintained by the CEO and the Chief of Staff, and is considered regularly by the Audit, Finance and Risk Committee and the Board of Trustees.

Plans for future periods

Setting a strategy for the next three years in the midst of a global pandemic is not an easy task. By ensuring broad engagement, we end the reporting period with clear strategic aims that will enable us to face the future and continue to advocate for the very best care and health systems for children and young people.

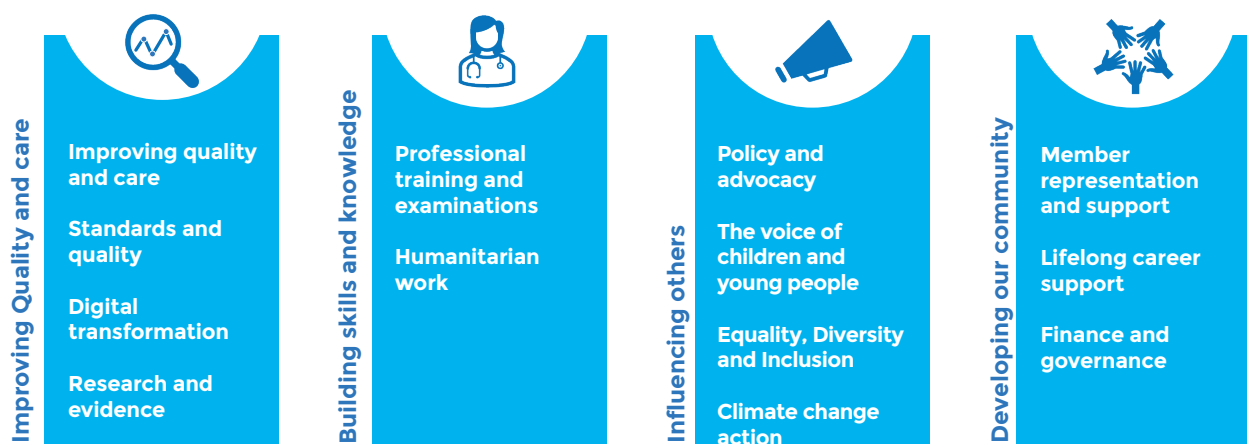
Our 2021-24 strategy will build on what we have learnt during the pandemic, using new ways of working and interacting, and robustly addressing our workforce needs. The last year or so has placed even greater burdens on child health professionals and our strategy makes the support for lifelong careers in child health a central pillar. In our commitment to capitalise on what we have learnt, the strategy also brings the crucial role of digital innovation in our future ways of working to the fore.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities and identified the key strategic areas to support the College over the next three years as follows:

1. To harness knowledge, data and intelligence to improve the quality of care for children and young people.
2. To equip members with the skills and knowledge they need through training and assessment.
3. To speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.
4. To develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

Objectives for 2020-21

The four strategic priorities at the centre of our new strategy will be the blueprint for our work and over the next year we will use them to continue our mission for a healthier future for children and young people across the world. We will achieve this through a focus on the following areas:



We will continue to use consistent measures of impact, and we will again track the following Key Performance Indicators (KPIs):

1. Number of members worldwide taking our examinations.
2. Number of members.
3. Our Unique Personal Engagement score, including online engagement.
4. The number of people that attend our online and face-to-face educational training courses.
5. The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees.
6. Our staff engagement score, as measured through our all-staff surveys.

Over the past twelve months we have looked to identify measures to monitor improvements for attrition and retention of paediatricians, and measure our influence and impact across policy and external affairs and will be adding these into our reporting.

Financial review

The Statement of Financial Activities for the year is set out on page 29 of the financial statements.

The College ends 2020-21 in a strong position with a surplus of £2.0m. Rebuilding the reserves in a year still impacted by the COVID-19 pandemic is a testament to the hard work of College staff to return to business as usual in our key income generating areas.

Our positive financial position throughout the year end enabled our strategy discussions to focus on identifying areas for investment. To support this, during the reporting period, a detailed three year financial forecast was developed to enable Council and Trustees to consider long term development of our strategic priorities.

Uncertainty and risk remain in the coming financial year, but our approach over the past twelve months means we are well placed to quickly identify any areas of concern and take steps to reduce any negative impacts. Our new strategy, business plan, KPIs and internal reporting processes will enable the College not only to survive but to thrive in the next twelve months.

Financial overview

The year to 31 August 2021 has again been significantly affected by the national response to the COVID-19 pandemic, though encouragingly much of the ground lost in 2019/20 has now been recovered.

The overall net movement in funds was an increase of £2.0m (2019/20 £0.2m decrease) which comprises an increase in general and designated funds of £1.8m and an increase in restricted funds (funds received and used for a specific purpose) of £0.2m.

The College's total income was £16.3m (2019/20 £15.3m) of which £2.4m (2019/20 £2.9m) has restrictions as to its use. For example, a grant given for a project can only be used for the purposes of the project. This restricted income is separately identified and unspent restricted income at the end of the financial year is referred to as restricted funds. Unspent restricted funds at the end of the project are returned to the funder.

Income increased by 7% during the financial year and was £1.0m higher than the previous financial year.

Membership subscriptions totalled £5.5m in 2020/21 (2019/20 £5.4m), an increase of £0.1m set against the background of an increase in membership of 3.1% (from 19,855 to 20,479). Assessment income increased by £1.2m or 37% from £3.2m to £4.4m, which recovered income lost due to problems running exams in 2019/20; other education income increased by 15% to £1.5m (2019/20 £1.3m) as a result of not being able to provide face to face training courses.

Development income, which includes that for events and publications was 20% higher at £1.1m (2019/20 £0.9m). Events income for 2020/21 is £0.2m, a 100% increase of on the same figure for 2019/20. Publications income totals £0.8m (2019/20 £0.9m) and includes £0.7m (2019/20 £0.7m) in respect of the surplus due to the College from the joint venture to publish *Archives of*

Disease in Childhood. Most members receive this important and respected College publication as part of their membership and full access to the *Archives of Disease in Childhood* website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Publications income also includes £0.1m (2019/20 - £0.1m) given to the College by the College's associated undertaking RCPCH Publications Limited, which is equally owned by the College and the Neonatal Paediatric Pharmacists Group (NPPG). RCPCH Publications Limited is one of three parties to a joint venture to produce the *British National Formulary for Children* (BNFC). The aim of BNFC is to assist those who prescribe, dispense or administer medicines for children and is unusual in that it covers the off-label use of medicines and also lists unlicensed medicines necessary for the treatment of children.

Note 13 details performance of the College's wholly owned subsidiary, British Paediatric Services Limited (BPSL), its' net profit is donated to the College as a gift aid payment each year. Turnover for the company is £0.26m, which is similar to last year's turnover. Of the surplus of £0.2m, £0.1m was transferred to the College during the year (together with £0.1m from the previous year) and the balance will be paid over in 2021/22.

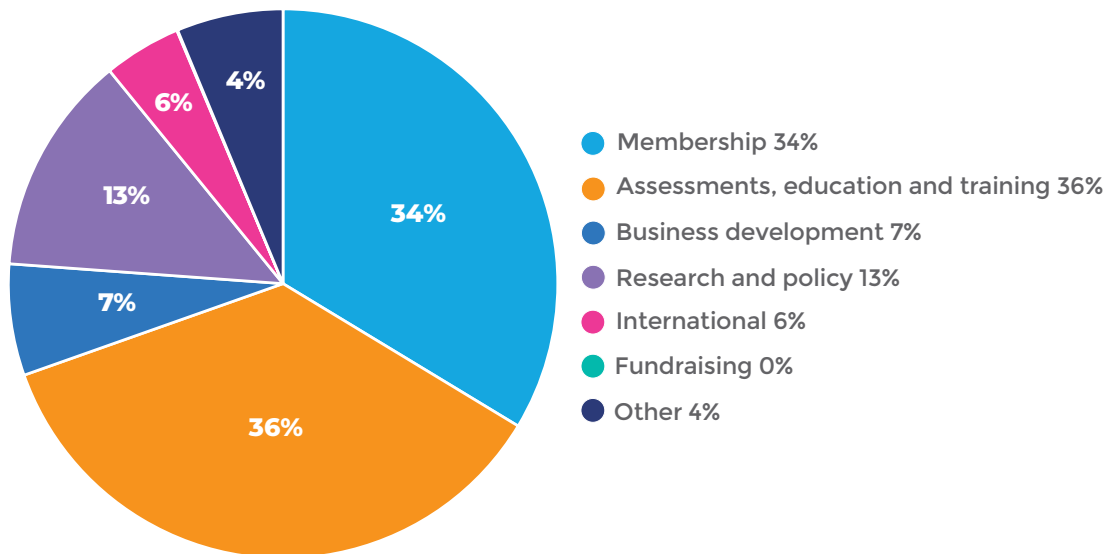
International income has decreased by £0.1m (9%) to £1.0m. The RCPCH Global team are currently working with partners, UNICEF and the Jersey Overseas Aid Commission in Myanmar, Rwanda and Sierra Leone.

Restricted income received during the year was £2.4m, a decrease of £0.5m on 2019/20: the fall arises as a large value restricted legacy of £0.5m in 2019/20 was not matched in the current year. Further information on restricted funds is provided in note 21a on page 45.

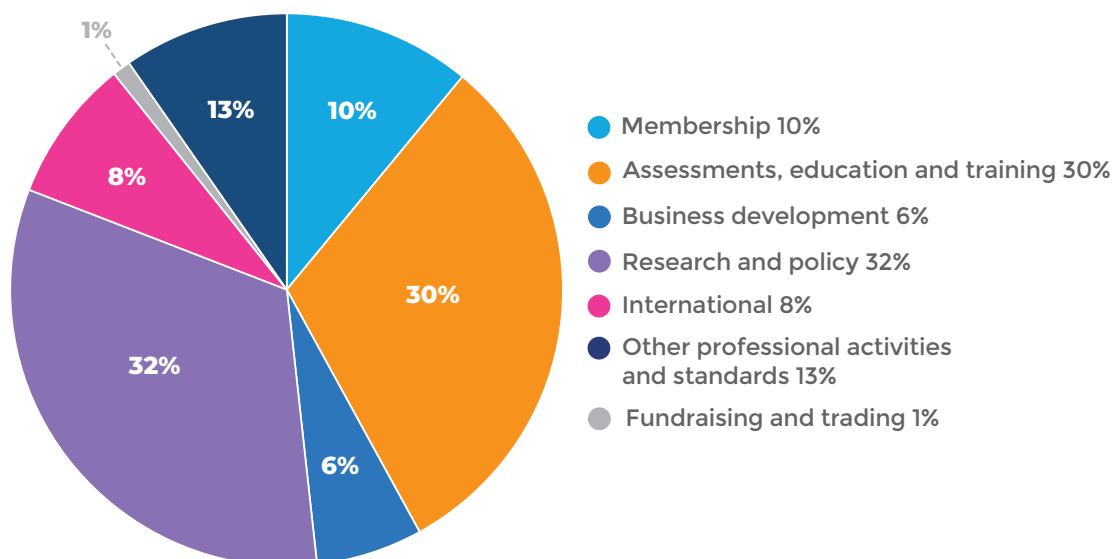
Designated income increased to £1.0m, an increase of £0.1m on last year. The designated fund balance at the 31 August 2021 is £18.7m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 45.

Total expenditure has decreased by £1.0m from £15.6m in 2019/20 to £14.6m in 2020/21. This reduction resulted in large part from the curtailment of planned activity due to the ongoing COVID-19 pandemic. During the year the College took advantage of the Coronavirus Job Retention Scheme to recover £67k of salary costs for staff who were furloughed.

This year's financial performance resulted in the College's General Funds Reserve increasing to £950k, from £341k in 2019/20. Designated funds have risen to £18.7m.



Pie chart summarising income sources for 2020-21 – full detail in the SOFA on page 29.



Pie chart summarising expenditure areas for 2020-21 – full detail in the SOFA on page 29.

Investment policy and objectives

In 2020 the College increased its Investment Portfolio, transferring an additional £1m into the portfolio managed by Aberdeen Standard Capital. The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested and seeks to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling time-frame. The portfolio has been under management for 16 months and is currently on a trajectory consistent with at least meeting this target.

In addition to this £2.1m held in an Aberdeen Liquidity Fund, a 24-hour call, interest bearing deposit that is treated as cash in these accounts.

Premises

The College's freehold premises at 5-11 Theobalds Road were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4.0m mortgage loan with the Royal Bank of Scotland plc to fund the purchase. Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m. A valuation of the premises carried out by Knight Frank in 2019 set the fair value at £16.8m and the related impairment was reflected in that year's accounts. The College is currently refitting this office in order to configure the space for new staff working patterns introduced post lockdown and to create attractive spaces for letting to third parties. These works will result in the operation of a VAT Capital Goods Scheme.

At year-end the College continues to rent office space in Belfast which it does not intend to replace when that lease expires in 2021/22.

Reserves policy

The General Funds represent the 'free' funds of the College which are not designated for particular purposes or restricted in any way; they are essentially the College's reserves. Such funds need to be held as reserves to permit a responsible reaction to uncertainties.

The College's Reserves Policy has a target for the reserve balance to sit within the range £0.5m to £1.0m. The current balance is £0.95m. Designated funds at year end are £18.7m. Details of all designated funds together with the anticipated timing of this expenditure can be found in note 21a to the accounts. Restricted funds are £2.6m an increase of £0.2m over last year. Details of this work can be found in note 21a to the accounts.

Donations disclosure

In the financial year 2020-21, the College received the following grants and donations in support of its activities. These grants and donations provided support for research on retention in paediatrics, work on reducing health inequalities for children and young people with asthma, an update of the Medicines for Children information leaflets, webinars on childhood obesity and research to assess the impact of COVID-19 on children and young people.

Dinwoodie Charity	£20,414
Health and Wellbeing Alliance	£6,790
Alison Hillman Charitable Trust	£5,000
Novo Nordisk	£15,210
National Institute of Health Research	£29,909

Pay transparency and equality

In 2020 the College initiated a review of how it pays its staff noting that the existing pay framework was dated and confusing. The revised pay framework affords full transparency and equal pay for equal work. This project was delivered successfully with 98.6% of staff directly affected signing the variation of contract. The consultation and migration was conducted while

working remotely and the magnitude of undertaking this task in such circumstances cannot be under-estimated. The College now has a pay framework which is clear and transparent. This has been strengthened further by recognising subject matter experts which will be essential going forward as the demand for specialist skills becomes highly sought after.

The Equality Impact Assessment evidenced a narrowing of gender and ethnicity pay gap. Coupled with this the College now also has a clearly articulated career pathways framework which illustrates life long careers for staff with the skills, knowledge and experience required to progress. All of this work places the College in a strong position as an employer of choice to attract the very best staff to ensure the growth and sustainability of the College.

Objects and activities

Purposes and aims

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

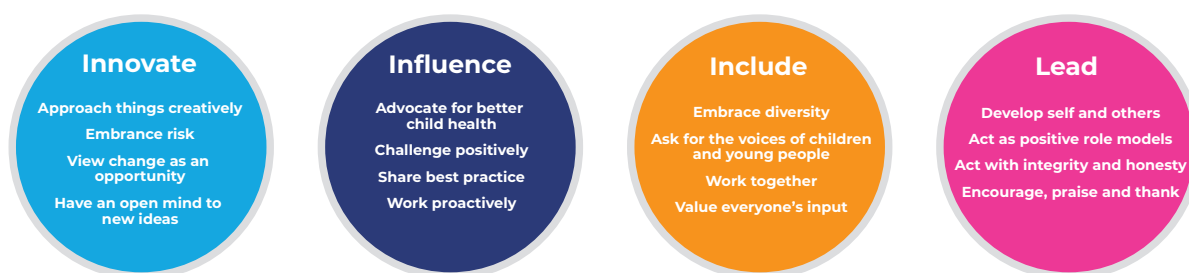
The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public benefit: running a charity* (PB2).

Vision, mission and values

Our vision is **"To transform child health through knowledge, innovation and expertise"**

This will be achieved through our mission for a healthier future for children and young people across the world and our College values of innovating, influencing, including and leading.



Structure, governance and management

The RCPCH was established under a Royal Charter, which established the objects and powers of the charitable company. The charity is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The current version of these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The Trustees delegate day-to-day management of the charity to the CEO, and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees. The senior committees of the College are as follows:

Board of Trustees

- Chaired by Dame Mary Marsh until 1 November 2021
- Chaired by Joanne Shaw from 1 November 2021
- President, Registrar, Treasurer
- Four Member Trustees
- Three external Trustees, appointed to address skills gaps
- Beneficiary Trustee

Council

- Chaired by the President
- Representative body of the membership responsible for setting strategy

Executive Committee

- Chaired by the President
- Responsible for delivery of our strategy
- Senior officers
- SMT

Audit, Finance and Risk Committee

- Chaired by the Treasurer

Remuneration Committee

- Chaired by the Treasurer
- Responsible for reviewing pay awards for CEO and Directors

Appointments Panel

- Chaired by the Chair of Trustees
- Responsible for the appointment of new Trustees

The College also has two subsidiary undertakings: British Paediatric Services Ltd (100% stake) and RCPCH Publications Ltd (50% stake). The results of these subsidiaries are consolidated in the group financial statements. Further details are given below under 'Subsidiary Undertakings'. All trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Any expenses reclaimed from the charity by trustees are set out in note 8 to the

accounts. Trustees are permitted by the Royal Charter to receive remuneration from the RCPCH for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 8 to the accounts.

An external review of the Board of Trustees' performance, benchmarking against regulatory guidance and the Charity Governance Code, was undertaken in autumn 2020. The Trustees received its recommendations and agreed an action plan in December 2020, and have monitored progress since.

Appointment, induction and training of Trustees

Under the governing documents, three of the trustee posts (President, Treasurer and Registrar) are appointed via election by eligible College members. All other Trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector.

Trustee induction and training

All Trustees receive an induction upon appointment and in addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document *The Essential Trustee* (CC3).
- The RCPCH's governing and management structures, and its strategy and workplan.
- The RCPCH's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

Reference and administrative information

For the year ended 31 August 2021

Charity number: 1057744
Charity number: SC038299

Countries of registration: England & Wales, Scotland
Registered office and operational address: 5-11 Theobalds Road, London, WC1X 8SH

Trustees:

Dame Mary Marsh	Chair until 1 November 2021
Professor Russell Viner	President until 10 May 2021
Dr Camilla Kingdon	President from 10 May 2021
Dr Mike Linney	Registrar until 31 March 2021
Professor Steve Turner	Registrar from 31 March 2021
Dr Elizabeth Marder	Treasurer
Dr Carol Roberts	Member Trustee
Dr David Vickers	Member Trustee until 9 December 2020
Professor Sir Terence Stephenson	Member Trustee from 9 December 2020
Dr John Williams	Member Trustee
Dr Bhanu Williams	Member Trustee
Ms Gillian Budd	External Trustee
Mr Mark Devlin	External Trustee until 7 October 2020
Mr Adam Igra	External Trustee until 7 October 2020
Mr Anthony Dunnett CBE	External Trustee until 31 March 2021
Ms Sarah Watson	External Trustee from 31 March 2021
Ms Adrija Bhattacharyya	Beneficiary Trustee
Ms Joanne Shaw	Chair from 1 November 2021

Senior Management:

Jo Revill	Chief Executive Officer
Emily Arkell	Director of Research & Quality Improvement
Louise Frayne	Director of People
David Howley	Director of Corporate Services
Robert Okunnu	Director of Policy & External Affairs (Director of Membership, Policy & External Affairs from 1 September 2021)
Daniel Waeland	Director of Education & Training
Natasha Neill	Chief of Staff
Jonathan Miall	Director of Membership and Business Development (until 31 August 2021)

Bankers: Royal Bank of Scotland plc, LONDON. WC1V 6PQ

Solicitors: Hempsons, 40 Villiers Street, LONDON, WC2N 6NJ (until 31 Dec 2020)
 DAC Beachcroft, 25 Wallbrook, London, EC4N 8AF (from 31 Dec 2020)

Auditor: Sayer Vincent LLP, Chartered Accountants and Statutory Auditor
 Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

Statement of Trustees' Responsibilities

The trustees (who are also directors of Royal College of Paediatrics and Child Health 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 and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

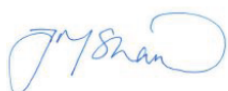
- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 7 December 2021 and signed on their behalf by



Joanne Shaw, Chair of Trustees



Independent auditor's report to the trustees of Royal College of Paediatrics and Child Health

Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health (the 'charity') for the year ended 31 August 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 charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Royal College of Paediatrics and Child Health'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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns;
or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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, finance 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 charity's trustees as a body, in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sayer Vincent LLP

19 January 2022

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Royal College of Paediatrics and Child Health
Consolidated statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 August 2021

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2020 Total £'000
Income from:									
Donations and legacies		5	2	–	7	7	503	–	510
Charitable activities									
Membership		5,503	–	–	5,503	5,416	–	–	5,416
Assessment		4,416	–	–	4,416	3,241	–	–	3,241
Business Development		1,063	10	–	1,073	898	–	–	898
Education & Training		1,294	165	–	1,459	1,161	146	–	1,307
Research & Quality Improvement		773	1,345	–	2,118	760	1,216	–	1,976
Policy and External Affairs		1	–	–	1	28	–	–	28
International		153	840	–	993	137	971	–	1,108
Other professional activities and standards		466	13	–	479	529	34	–	563
Other trading activities		234	33	–	267	228	26	–	254
Investments	2	34	–	–	34	49	–	–	49
Total income		13,942	2,408	–	16,350	12,454	2,896	–	15,350
Expenditure on raising funds									
Fundraising trading	4	143	23	–	166	150	12	–	162
Charitable activities									
Membership	4	1,510	–	–	1,510	1,399	–	–	1,399
Assessment	4	1,987	–	–	1,987	2,004	–	–	2,004
Business Development	4	852	33	–	885	1,104	46	–	1,150
Education & Training	4	2,204	201	–	2,405	2,596	213	–	2,809
Research & Quality Improvement	4	1,836	1,218	–	3,054	1,783	1,281	–	3,064
Policy and External Affairs	4	1,561	40	–	1,601	1,720	–	–	1,720
International	4	499	692	–	1,191	426	915	–	1,341
Other professional activities and standards	4	1,754	46	–	1,800	1,935	30	–	1,965
Total expenditure		12,344	2,253	–	14,597	13,117	2,497	–	15,614
Net income / (expenditure) before net gains / (losses) on investments		1,598	154	–	1,753	(663)	399	–	(264)
Unrealised gains / (losses) on investments	12	255	–	–	255	32	–	–	32
Net income / (expenditure) for the year	5	1,853	155	–	2,008	(631)	399	–	(232)
Transfers between funds		(61)	61	–	–	(56)	56	–	–
Net income / (expenditure) before other recognised gains and losses		1,792	216	–	2,008	(687)	455	–	(232)
Net movement in funds		1,792	216	–	2,008	(687)	455	–	(232)
Reconciliation of funds:									
Total funds brought forward		17,870	2,427	15	20,312	18,557	1,972	15	20,544
Total funds carried forward		19,662	2,643	15	22,320	17,870	2,427	15	20,312

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 21a to the financial statements.

Royal College of Paediatrics and Child Health **Consolidated statement of cash flows** **For the year ended 31 August 2021**

	2021		2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	2,008		(232)	
Depreciation charges	465		447	
(Gains)/losses on fixed assets	2			
(Gains)/losses on investments	(255)		(32)	
Dividends and interest from investments	(34)		(49)	
Mortgage interest payable	17		27	
(Increase)/decrease in stocks	15		5	
(Increase) in debtors	360		134	
(Decrease)/Increase in creditors	5		(432)	
Net cash provided by operating activities		2,583		(132)
Cash flows from investing activities:				
Dividends and interest from investments	34		49	
Mortgage interest paid	(17)		(26)	
Purchase of tangible fixed assets	(556)		(175)	
Purchase of intangible fixed assets	(53)		(158)	
Purchase of investments	(1,327)		(394)	
Disposals of Investments	336		358	
Movement in cash held in Investments	(25)		17	
Net cash (used in) investing activities		(1,607)		(329)
Cash flows from financing activities:				
Repayments of borrowing	(153)		(142)	
Net cash (used in) financing activities		(153)		(142)
Change in cash and cash equivalents in the year		823		(603)
Cash and cash equivalents at the beginning of the year		6,229		6,832
Cash and cash equivalents at the end of the year		7,051		6,229

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	6,229	822	-	7,051
Total cash and cash equivalents	6,229	822	-	7,051
Loans falling due within one year	176		(1)	175
Loans falling due after more than one year	1,723	(153)		1,570
Total	4,331	(153)	(1)	5,307

Royal College of Paediatrics and Child Health
Balance sheet
For the year ended 31 August 2021

		The group		The charity	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
Fixed assets:					
Tangible assets	10	17,082	16,897	17,082	16,897
Intangible assets	11	474	518	474	518
Investments	12	2,371	1,097	2,371	1,097
	-	19,927	18,513	19,927	18,513
Current assets:					
Stock		-	15	-	-
Debtors	15	2,225	2,585	2,142	2,603
Cash at bank and in hand		7,051	6,229	6,964	6,092
		9,276	8,829	9,106	8,695
Liabilities:					
Creditors: amounts falling due within one year	16	(5,312)	(5,307)	(5,244)	(5,263)
Net current assets / (liabilities)		3,964	3,522	3,862	3,432
Total assets less current liabilities		23,890	22,035	23,789	21,944
Creditors: amounts falling due after one year	18	(1,570)	(1,723)	(1,570)	(1,723)
Net assets		22,320	20,312	22,219	20,221
Funds:	21a				
Restricted and endowment funds		2,658	2,442	2,648	2,410
Unrestricted income funds:					
Designated funds		18,742	17,493	18,742	17,493
General funds		920	378	829	318
Total unrestricted funds		19,662	17,870	19,571	17,811
Total funds		22,320	20,312	22,219	20,221

Approved by the trustees on 7 December 2021 and signed on their behalf by



Joanne Shaw
Chair of Trustees



Dr Liz Marder
Treasurer

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

1 Accounting policies

a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

b) 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 Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the on-going impact and uncertainties of the pandemic. Recognising the College's strong cash position at the start of the year, they have set a budget that results in a significant surplus with the intention of restoring the reserves consumed in the previous year. They have reviewed the uncertainties implicit in this budget, in particular to Membership Income, Examinations Income and Conference Income, undertaken contingency planning should remote working solutions for conferences and other educational events be required and restructured the management accounting in the College to focus upon the risks identified. As such they continue to hold the view that there are no material uncertainties around going concern over the next twelve months.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

1 Accounting policies (continued)

e) 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.

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from legacies are recognised when the income is probable and can be measured sufficiently reliable.

f) 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.

g) Fund accounting

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	14%
● Assessment	15%
● Business Development	6%
● Education and Training	17%
● Research & Quality Improvement	19%
● Policy & External Affairs	8%
● International	6%
● Other professional activities	15%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

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

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Fixtures	5 years
● Office equipment	10 years
● Fittings and Refurbishment	10 years
● IT hardware	3 years
● Intangibles – Database & Software	5–7 years
● Website	7 years
● Building	50 years

n) 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. 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.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

1. Accounting policies continued

o) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) 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.

q) 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.

r) 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.

s) Financial instruments

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.

t) Pensions

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

2 Income from investments

	2021 Total £'000	2020 Total £'000
Interest on Bank Deposits	34	27
	34	27

All income from investments is unrestricted.

3 Grants

	Balance at 1 September 2020 £'000	Received in year £'000	Balance at 31 August 2021 £'000	Income £'000
Group and College				
Government & government agencies	184	1,279	190	1,273
Other grants	46	658	68	636
	230	1,937	258	1,909

Income from grants is included in restricted funds incoming resources as follows:

	2021 Total £'000	2020 Total £'000
Children & Young People	13	29
Education & training	157	122
Research & QI	1,062	1,079
International	665	904
Membership & Development	10	
Total income from grants	1,909	2,134

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

4a Analysis of expenditure (current year)

	Charitable activities											2021 Total £'000	2020 Total £'000
	Fundraising trading £'000	Membership £'000	Assessment £'000	Business development £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities £'000 *	Governance costs £'000	Support costs £'000		
Staff costs	–	425	806	649	1,795	1,952	1,174	454	1,255	–	–	8,510	8,570
Other direct costs	166	692	743	55	104	552	181	591	85	21	–	3,190	4,440
Other allocated costs:	–	–	–	–	–	–	–	–	–	–	–	–	–
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	486	486	577
Information and technology	–	–	–	–	–	–	–	–	–	–	1,549	1,549	1,208
Finance	–	–	–	–	–	–	–	–	–	–	225	225	265
Corporate services	–	–	–	–	–	–	–	–	–	–	637	637	497
	166	1,117	1,549	704	1,899	2,504	1,355	1,045	1,340	21	2897	14,597	15,557
Support costs	–	393	438	181	505	549	246	146	439	–	(2,897)	–	–
Governance costs	–	–	–	–	–	–	–	–	21	(21)	–	–	–
Total expenditure 2021	166	1,510	1,987	885	2,405	3,054	1,601	1,191	1,800	–	–	14,597	15,557

* This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

4b Analysis of expenditure (prior year)

	Charitable activities											
	Fundraising trading £'000	Membership £'000	Assessment £'000	Business development £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities £'000	Governance costs £'000	Support costs £'000	2020 Total £'000
Staff costs	–	372	807	666	1,871	1,973	1,231	374	1,276	–	–	8,570
Other direct costs	162	754	842	351	581	676	96	836	115	27	–	4,440
<i>Other allocated costs:</i>	–	–	–	–	–	–	–	–	–	–	–	–
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	577	577
Information and technology	–	–	–	–	–	–	–	–	–	–	1208	1,208
Finance	–	–	–	–	–	–	–	–	–	–	265	265
Corporate services	–	–	–	–	–	–	–	–	–	–	497	497
	162	1,126	1,649	1,017	2,452	2,649	1,327	1,210	1,391	27	2547	15,557
Support costs	–	273	355	133	357	357	393	131	547	–	(2,547)	–
Governance costs	–	–	–	–	–	–	–	–	27	(27)	–	–
Total expenditure 2020	162	1,399	2,004	1,150	2,809	3,007	1,720	1,341	1,965	–	–	15,557

* This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

5

This is stated after charging:

	2021 £'000	2020 £'000
Depreciation/Amortisation	465	447
Revaluation of fixed asset	-	-
Loss on disposal of fixed assets	2	-
Interest payable	16	27
Operating lease rentals:		-
Property	35	71
Other	52	180
Auditor's remuneration (excluding VAT):		-
Audit	18	18
Other services	3	3

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

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries and wages	7,095	7,038
Social security costs	769	771
Employer's contribution to defined contribution pension schemes	585	569
Redundancy and termination costs	61	191
	8,510	8,569

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	3	5
£70,000 – £79,999	3	1
£80,000 – £89,999	4	4
£90,000 – £99,999	-	-
£100,000 – £109,999	-	-
£110,000 – £119,999	-	-
£120,000 – £130,000	-	1
£130,000 – £140,000	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £825,313 (2020: £716,000). No trustee received any remuneration as part of this figure.

No (2020: none) trustees received payment (2020: 0) in relation to work carried out under the Invited Review programme. No other trustees either received or waived any emoluments during the year (2020: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £862 (2020: £8,802) incurred by two (2020: 7) members relating to attendance at meetings of the trustees.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities. The gender split in the College workforce is 73% female 27% male and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

7 Staff numbers

The average number of employees during the year was 178 (2020: 184) on a head count basis and 144 (2020: 148) on a full time equivalent basis.

Staff are split across the activities of the charity as follows (head count basis):

	2021 No.	2020 No.
Membership	5.0	5.3
Examinations	14.8	13.8
Business Development	9.8	10.5
Education & Training	38.8	39.8
Research & QI	36.4	36.7
Policy and External Affairs	20.8	23.9
International	4.2	5.9
Support	47.8	48.3
	177.6	184.2

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

8 Related party transactions

Jo Revill, CEO of RCPCH, was a Trustee of Science Media Centre (SMC) until 8th October 2020

Post year end the College made a payment of £2,500 to the Science Media Centre.

Professor Russell Viner, President of RCPCH and a Trustee of the College up until May 2021. Professor Viner is an employee of University of London (UCL) and has an honorary academic contract with Public Health England (PHE).

Whilst Professor Russell Viner was in post the college made the following transactions with UCL;

- £72 income received in relation to CPD Approval Fees
- A payment of £36 to UCL – Institute of Child Health in relation to an overpayment of a CPD Approval Fee Sales Invoice.

In 2020/2021, the College received the following from PHE:

- £25,000 in relation to two BPSU Surveillance studies (Note; PHE made payment of £12,500 post year end in September 2021)

Dr Camilla Kingdom, President and a Trustee of the College (from May 2021), is an employee at Evelina London Children's Hospital.

The College received £36 from Evelina London Children's Hospital in relation to a CPD Approval Fee. As at 31/08/2021, £36 remains outstanding and owed to College in relation to a CPD Approval Fee.

Dr Mike Linney was the Registrar and Trustee of the College up until March 2021. Dr Linney is an employee of Western Sussex Hospitals NHS Trust.

The College received £11,641 from Western Sussex Hospitals NHS Trust in relation to 2019/2020 participation in the National CYP Diabetes Quality Programme.

Dr Carol Roberts, a Member Trustee of RCPCH, is a National Medical Director Appraiser at NHS England.

As at 31/08/2021, £90,000 funding remains outstanding in relation to the review and update of one of the College's publication.

Dr David Vickers was a Member Trustee of the College up until December 2020. Dr Vickers is an employee of Cambridgeshire Community Services NHS Trust, a Clinical Advisor at General Medical Council (GMC) and a Trustee of British Association for Community Child Health (BACCH).

The College received £6,430 from GMC in relation to CESR fees.

The College received £98,204.58 (CHECK) £7,212 from BACCH in relation to the service level agreement (SLA) for the provision of office services. As at end of term, £21,508 remained outstanding in relation to the SLA; BACCH made payment for this in the financial year.

Professor Sir Terence Stephenson, a Member Trustee of the College, is the Nuffield Chair of Child Health at University College London Institute of Child Health and is an Honorary Consultant Paediatrician at University College Hospital and Great Ormond Street Hospital.

As at 31/08/2021, £12,500 remains outstanding from UCL – Institute of Child Health and owed to the College in relation to the annual grant contribution to the work of BPSU.

The College received the following from GOSH:

- £108 in relation to CPD Approval fees
- £450 in relation to a delegate fee for registration on one of our EPD courses
- £2,895 in relation to Associate Members Fee
- £160 in relation to a delegate fee for the RCPCH Annual Conference

The College received £18,548 from UCLH NHS Trust in relation to 2019/2020 participation in the National CYP Diabetes Quality Programme.

As at 31/08/2021, £36 remains outstanding from GOSH and owed to the College in relation to a CPD Approval fee.

BPSL received £10,080 from GOSH in relation to MTI sponsorship fees. As at 31/08/2020, £21,840 remains outstanding from GOSH and owed to BPSL in relation to MTI sponsorship fees

Dr Bhanu Williams, a Member Trustee of the College, is employed by London North West University Healthcare NHS Trust (LNWH NHS Trust) and is part-time seconded to Health Education England (HEE).

In 2020/2021, the College received the following from HEE;

- £100,000 funding in relation to an education project
- £1,425 in relation to a delegate fee for registration on one of our EPD courses

In 2021/2021, BPSL received £3,360 from LNWH NHS Trust in relation to MTI sponsorship fees

Mark Devlin was an Independent Trustee of the College up until October 2020. Mark Devlin is a Council Member of University of Sussex

As at end of term, £10,000 remained outstanding in relation to a BPSU Surveillance study; University of Sussex made payment for this in the financial year.

Adam Igra, an independent Trustee of the College from October 2020, is employed by Royal Brompton & Harefield Hospital NHS Foundation Trust.

In 2020/2021, BPSL received £3,360 from Royal Brompton in relation to MTI sponsorship fees.

Anthony Dunnett CBE, an Independent Trustee of the College up until March 2021, is a Non-Executive Member of the Foreign, Commonwealth & Development Office's (FCDO) Audit & Risk Assurance Committee.

In 2020/2021, the College received funding amounting to £244,982 from FCDO or Agencies working in conjunction with it, in relation to projects carried out in Sierra Leone.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2021 £'000	2020 £'000
UK corporation tax at 19%	-	-

10 Tangible fixed assets

The group and college

Cost or valuation	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
At the start of the year	1,249	-	16,799	18,048
Additions in year	225	331	-	556
Disposals in year	(73)	-	-	(73)
At the end of the year	1,401	331	16,799	18,531
Depreciation				
At the start of the year	915	-	236	1,151
Charge for the year	133	-	236	369
Loss on impairment	-	-	-	-
Eliminated on disposal	(71)	-	-	(71)
At the end of the year	977	-	472	1,449
Net book value				
At the end of the year	424	331	16,327	17,082
At the start of the year	334	-	16,563	16,897

Land with a value of £5,000,000 (2020: £5,000,000) is included within freehold property and not depreciated.

Any properties held at valuation were last valued on 23rd August 2019 by Knight Frank.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2020 – £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

11 Intangible fixed assets

The group and college Cost	IT Software £'000	Total £'000
At the start of the year	885	885
Additions in year	53	53
Disposals in year	–	–
At the end of the year	938	938
Depreciation		
At the start of the year	367	367
Charge for the year	96	96
Eliminated on disposal	–	–
At the end of the year	463	463
Net book value		
At the end of the year	474	474
At the start of the year	518	518

12 Listed investments

	The group and charity	
	2021	2020
	£'000	£'000
Fair value at the start of the year	1,077	1,024
Additions at cost	1,327	394
Disposal proceeds	(336)	(358)
Net gain / (loss) on change in fair value	255	17
	2,323	1,077
Cash held by investment broker pending reinvestment	48	21
Fair value at the end of the year	2,371	1,097
	2021	2020
	£'000	£'000
Aberdeen Money Market	620	209
Gilts	56	32
Listed shares on stock exchange	1,647	835
Cash	48	21
	2,371	1,097

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

13 Subsidiary undertaking

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Elizabeth Marder is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians.

	2021		2020	
	RCPCH £'000	BPSL £'000	RCPCH £'000	BPSL £'000
Turnover	231,402	266,697	235,882	253,434
Cost of sales and administrative expenses	(38,353)	(49,674)	(39,152)	(62,651)
Operating profit	193,049	217,022	196,730	190,783
Interest receivable	15	22	274	334
Net profit	193,064	217,044	197,005	191,117
Charitable trading funds				
Balance at 1 September	–	91,116		174,624
Net profit	193,064	217,044	197,005	191,117
To be gifted to College for year ended 31 August	(96,532)	(208,116)	(98,502)	(274,628)
To be gifted to NPPG for year ended 31 August	(96,532)	–	(98,502)	
Balance at 31 August	–	100,044	–	91,113
College Share				
Balance at 01 September	4	4	4	4
Balance at 31 August	4	100,044	–	91,113

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2020– £42,000) for College staff, newsletter advertising and facilities used.

The first edition of the British National Formulary for Children ("BNFC") was published in September 2005 with the website going live that month and publication of a CD rom version in October 2005. The year ended 31 August 2021 principally includes the company's share of income and costs associated with developing and publishing the 2021/22 edition of BNFC which was published in September 2021.

The BNFC is produced as a joint venture, the arrangements for which were formalised in an agreement between RCPCH Publications Limited, The Royal Pharmaceutical Society and BMJ Publishing Group Limited dated 13 April 2005. The parties to the joint venture then entered into a three-year supply agreement with the Department of Health dated 20 September 2005 that will ensure all relevant health professionals in England will receive the BNFC. This agreement has recently been renewed under the auspices of NICE (the National Institute for Clinical Excellence).

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021	2020
	£'000	£'000
Gross income	16,292	15,371
Result for the year	1,745	(181)

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

15 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	890	918	771	867
Other debtors	344	541	344	532
Amounts due from associated undertakings	98	122	148	204
Prepayments	432	524	419	520
Accrued income	461	480	460	480
	2,225	2,585	2,142	2,603

Included in amounts due from associated undertakings for the charity is a loan to British Paediatric Limited amounting to £49,923

16 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Mortgage loan	175	176	175	176
Trade creditors	509	255	507	244
Taxation and social security	379	355	371	352
Member subscriptions deferred	1,387	1,404	1,387	1,404
Accruals	744	223	737	205
Deferred income (Note 17)	2,118	2,894	2,067	2,882
	5,312	5,307	5,244	5,263

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

17 Deferred income

Deferred income comprises of examination income and invoices;

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,895	2,438	2,881	2,422
Amount released to income in the year	(5,584)	(3,989)	(5,550)	(3,934)
Amount deferred in the year	4,807	4,446	4,735	4,393
Balance at the end of the year	2,118	2,895	2,066	2,881

18 Creditors: amounts falling due after one year

	The charity	
	2021	2020
	£'000	£'000
Mortgage loan	1,570	1,723
	1,570	1,723
Analysis of mortgage loan not wholly repayable within 5 years by instalments		
In more than one year but not more than two years	175	174
In more than two years but not more than five years	522	522
In more than five years	873	1,027

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 10.49% (2017- 11.23%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

Interest was charged at 6.40% on the first £2,500,000 for the period until 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £585,000 (2020:£569,000).

20a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	17,082	-	-	17,082
Intangible assets	-	474	-	-	474
Investments	-	2,371	-	-	2,371
Net current assets	920	385	2,643	15	3,963
Long term liabilities	-	(1,570)	-	-	(1,570)
Net assets at 31 August 2021	920	18,742	2,643	15	22,320

20b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Endowment funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	16,897	-	-	16,897
Intangible assets	-	518	-	-	518
Investments	-	1,097	-	-	1,097
Net current assets	378	704	2,426	15	3,523
Long term liabilities	-	(1,723)	-	-	(1,723)
Net assets at 31 August 2020	378	17,493	2,426	15	20,312

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2021

21a Movements in Funds (current year)

	At 1 September 2020 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2021 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	-	-	-	15
Restricted Funds					
Business Development					
Paul Polani Fund	45	-	(15)	-	30
Other Awards & Prizes	27	12	-	-	39
El Shamy Bequest	500	-	-	-	500
Child Health Research Fund	186	-	(18)	(44)	124
International Projects	83	840	(692)	-	231
Education & Training					
Other Education & Training Funds	292	165	(201)	(5)	251
Research & QI					
Research & QI Funds	813	1,351	(1,218)	89	1,035
Policy & External Affairs					
Royalties from PCHR	375	22	(62)	-	335
Policy & External Affairs Funds	32	4	-	-	36
Other					
CYP Participation	74	13	(46)	21	62
Total restricted and endowment funds	2,442	2,407	(2,252)	61	2,658
Unrestricted Funds					
Business Development					
International Training Fund	25	-	(2)	-	23
Overseas Levy	12	154	(151)	-	15
Education & Training					
CPD Diaries Fund	12	-	-	-	12
Exam Booking System Fund	61	-	(35)	-	26
Research & QI					
Diabetes QAQI	432	772	(477)	-	727
Other					
Committed Expenditure Fund	75	-	-	-	75
General Donations Fund	66	5	-	-	71
Writing Down Reserve	801	-	(231)	276	846
Charitable Trading Subsidiary Fund	-	234	(144)	(90)	-
Fixed Asset Fund	14,954	-	-	(236)	14,718
Infrastructure Fund	631	-	(9)	500	1,122
Strategy Fund	263	-	(33)	443	673
Paediatrics 2040	6	-	(6)	-	-
Holiday Pay Accrual Fund	154	-	(154)	146	146
Unrealised gains and losses on Investments	32	255	-	-	287
General Funds	345	12,778	(11,103)	(1,100)	920
Total Unrestricted Funds	17,870	14,198	(12,345)	(61)	19,662
Total Funds	20,312	16,605	(14,597)	-	22,320

The narrative to explain the purpose of each fund is given at the foot of the note below.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

21b Movements in Funds (prior year)

	At 2 September 2019 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 30 August 2020 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Restricted Funds					
Business development					
Paul Polani Fund	57	–	(12)	–	45
Other Awards & Prizes	24	3	–	–	27
El Shamy Bequest	–	500	–	–	500
Child Health Research Fund	220	–	(33)	(1)	186
International Projects	27	964	(908)	–	82
Education & Training					
Other Education & Training Funds	360	146	(214)	–	292
Research & QI					
Research & QI Funds	815	1,224	(1,252)	26	813
Policy & External Affairs					
Royalties from PCHR	401	23	(49)	–	375
Policy & External Affairs Funds	31	1	–	–	32
Other					
CYP Participation	37	35	(29)	31	74
Total restricted and endowment funds	1,987	2,896	(2,497)	56	2,441
Unrestricted Funds					
Business Development					
International Training Fund	39	17	(31)	–	25
Overseas Levy	20	120	(128)	–	12
Education & Training					
CPD Diaries Fund	11	1	–	–	12
Exam Booking System Fund	96	–	(35)	–	61
Research & QI					
Diabetes QAQI	172	757	(497)	–	432
Other					
Committed Expenditure Fund	120	–	(45)	–	75
General Donations Fund	59	7	–	–	66
Writing Down Reserve	679	–	(211)	333	801
Charitable Trading Subsidiary Fund	–	228	(150)	(78)	–
Fixed Asset Fund	15,190	–	–	(236)	14,954
Infrastructure Fund	631	–	–	–	631
Strategy Fund	434	–	(170)	–	264
Paediatrics 2040	6	–	–	–	6
Holiday Pay Accrual Fund	107	–	(107)	154	154
Unrealised gains and losses	–	32	–	–	32
General Funds	992	11,324	(11,742)	(229)	345
Total Unrestricted Funds	18,558	12,486	(13,116)	(56)	17,872
Total Funds	20,545	15,382	(15,613)	–	20,312

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2021

Purposes of endowment and restricted funds

Permanent Endowment Funds comprise the Michael Blacow Memorial Fund and the James Spence Medal Fund. They are in respect of endowments received by the British Paediatric Association transferred to the College at its inception together with a subsequent donation from Mr Peter Blacow to enable the Michael Blacow Memorial Fund to maintain the value of its awards in future. The income generated by these funds is included in Other Awards and Prizes restricted income and is used to further the charitable objectives of the College.

Paul Polani Fund arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by funding an award.

El Shamy Bequest is an amount given to the College to fund Child Health Projects in the Palestinian Territories

Other Awards and Prizes is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

Child Health Research Fund is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

International Projects represents the balances held on all Global Health team projects.

Education & Training and Research & Quality Improvement are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions.

CYP Participation Fund a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

Overseas Levy was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System – holding duration fully expended in 2020–21.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary holding duration fully expended in 2020–21.

Committed Expenditure fund to meet specific commitments related to College infrastructure – holding duration indeterminate.

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £30,000 (2020 – £30,000) – holding duration indeterminate.

Writing-Down Reserve is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

Fixed Asset Fund identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

Infrastructure Fund – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – holding duration indeterminate.

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan including the Future Paediatrician project – holding duration life of the three-year plan i.e. to 2020–21.

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2020 holding duration fully expended 2020–21.

Unrealised gains – Funds arising from unrealised gains on the Investment Portfolio.

General Funds represent the free funds of the College which are not designated for particular purposes.

22 Operating lease commitments payable as a lessee

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following

	Property		Equipment	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Less than one year	15	40	10	27
One to five years	–	15	31	40
	<u>15</u>	<u>55</u>	<u>41</u>	<u>67</u>

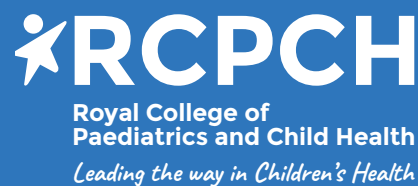
**Royal College of
Paediatrics and Child Health**
Report and financial statements for the year ending 31 August 2021

Published December 2021

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The Royal College of Paediatrics and Child Health (RCPCH) is a registered charity in England and Wales (1057744) and in Scotland (SC038299).



Accounts

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements
for the year ended 31 August 2020

Published December 2020



Table of Contents

Foreword	3
Achievements and performance	4
Summary.....	4
Impact.....	5
Volunteers.....	9
Fundraising.....	10
Principal risks and uncertainties.....	10
Plans for future periods	12
Objectives for 2020/21.....	13
Financial review	14
Financial overview.....	14
Investment policy and objectives.....	17
Premises.....	17
Reserves policy.....	17
Donations disclosure.....	17
Pay transparency and equality.....	18
Objects and activities	18
Purposes and aims.....	18
Vision, mission and values.....	18
Structure, governance and management.....	19
Appointment, induction and training of trustees.....	20
Reference and administrative information	21
Statement of trustees' responsibilities	22
Independent auditor's report for the year ending 31 August 2020	24
RCPCH Financial statements and notes for the year ending 31 August 2020	29

Foreword

Although every year brings its own challenges and opportunities; the unexpected events of this year compelled the College to adjust our expectations and deliver new areas of activity to ensure the best outcomes for the health of children and young people.

We continued to support our members alongside delivering our wider charitable mission in a challenging and uncertain external environment. Working alongside stakeholders such as the Department of Health and the NHS across all four Nations we continued to play a key role in shaping health advice and policy for children and young people.

The work of the College during the first peak of COVID-19 was exceptional and often to incredibly short deadlines. Staff and clinicians supported our members with regular updates on exams and answering trainees' queries and concerns. We provided regular communications to our members to ensure they were provided with up to date guidance and standards to support them and our research summaries kept them abreast of the very latest data and evidence. Our survey of paediatric services allowed us to focus our support and know more about the impacts being felt by our members during that time.

Global efforts to reduce transmission of COVID-19 through social distancing and 'lockdowns' had a significant impact on examinations and events, two major income sources for the College. The impact has resulted in a deficit in the accounts being presented. Whilst this has been a difficult time for the College, with careful financial planning over the last three years the College ensured reserves were built to a suitable level to withstand such a challenge. The Board of Trustees are conscious that the reserves will need to be replenished and our budget for the coming year aims to achieve this together with investment in technology to reduce the financial impact of potential future restrictions.

We hope that you enjoy this new format for our Trustees' Annual Report and Financial Statements, and that it provides a clear narrative to show the impact the College has had. We have also published a [COVID-19 Impact Report](#), which shares more of our achievements during the pandemic and we are planning our 2020 Annual Review for publication in Spring 2021 where we will share more of the visual story behind all that we have accomplished.

Through the following pages the Trustees present their report and the audited financial statements for the year ended 31st August 2020.

Reference and administrative information set out on page 21 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



Mary Marsh
Chair of Trustees



Liz Marder
Treasurer

Achievements and performance

Summary

2019-20 has proved a challenging year for the College and the impacts of the COVID-19 global pandemic impacted almost every way in which we expected to carry out our activity over the past twelve months. Our determination to continue to make a difference to the lives of our members and the children and young people we reach through them led us to persevere through the challenges. We have ended the year on a stable foundation to continue to adapt and to achieve our mission to provide a healthier future for children and young people across the world.

Our members have continued to be at the heart of everything that we do, and this year we wanted to take on board feedback and launch a new membership magazine. Milestones launched in November 2019 and its' focus is firmly on the experiences of our members across the UK and internationally, with their stories and reflections ensuring an engaging read.

In March 2020, we launched our new State of Child Health report and microsite, providing the latest data from our 2017 indicators, alongside evidence for new indicators, including: looked after children, mental health, youth violence, young carers and the child health workforce. The voices of over 2,000 children and young people were at the centre of our report, with some of these young people then speaking directly to policy makers about what makes them feel “healthy, happy and well” by attending the launch events in each of the UK’s legislatures.

A transition away from face-to-face meetings necessitated a great deal of change in many of our usual activities, but we have continued to adapt to each of these new challenges at pace and under extraordinary pressure. Our Education and Training division is committed to ensuring that the impact of the pandemic on career progression is minimised, and we expect to deliver virtual theory and clinical exams by the winter of 2020. Our Annual Conference was transformed into a suite of online seminars and workshops, complete with a virtual ePosters platform, and our Annual General Meeting was held virtually, allowing members around the world to hear from our Trustees and Senior Officers.

The widening of health inequalities amongst children continues to be a very real threat and the work of the College is in ever greater demand. Throughout the latter half of the year, the College faced significant ongoing uncertainty but through strong governance, financial controls and operational resilience, we were able to minimise the negative impacts of the pandemic and achieve many of our original objectives alongside delivery of new and vital work.

Impact

In order to achieve the RCPCH's strategic vision and charitable goals, as set out in its Royal Charter and Strategy, the College delivered its strategic goals under the following broad themes. An assessment of how well we achieved our objectives and the targets set follows. Using the quarterly 'Red, Amber, Green' progress reporting to Trustees, senior staff have reflected on the overall level of challenge faced in the year across each strategic theme, which is illustrated using the following key:



Low difficulty



Medium difficulty



High difficulty



Very high difficulty

Strategic theme	Level of challenge
Better membership support and experience As a membership body, it is critical that we provide a high-quality service to all our members. We sought to increase engagement across all categories of membership by improving member content and communications, finalising our membership fee structure, and further supporting our trainees. We planned to measure success by an increase in the Unique Participation and Engagement (UPE) score but with the cancellation of many face-to-face activities due to COVID-19, our UPE score is 15.2% compared to 18.2% for 2018-19. To ensure we do not lose the virtual engagement now frequently taking place across the College, we are currently in the process of developing an alternative calculation to include online engagement.	 Medium difficulty
Greater reach into the nations and UK regions The RCPCH runs a variety of training courses across the UK but to broaden our reach, we aimed to deliver 30% of all courses outside London, and for 80% of delegate respondents to report that the course has positively changed their working practice. Although social distancing restrictions meant that many of our planned summer courses were unable to run, 25% of the 32 courses we did run in the year were delivered regionally. For all our courses, an 80% response rate for a positive change to their working practice was achieved.	 Medium difficulty

Strategic theme	Level of challenge
Improving standards and quality Improving the quality of our training and examinations processes has been a priority for the year, although the impact of COVID-19 has meant that the General Medical Council has requested a delay for all submissions, moving our September submission to Spring 2021 at the earliest. Our Psychometric and Question Board teams have also supported the development and research processes necessary to ensure that online assessments used were robust and fit for purpose. Budgetary restraints impacted our ability to improve the application process for Medical Training Initiative (MTI) doctors but our team have finalised a process for 6 monthly reviews to ensure proactive resolution of concerns, and held the first virtual symposium to support MTI doctors in applications.	 High difficulty
Focus of workforce need Given the increasing strain on the paediatric workforce, the College worked to address both recruitment and retention by strategic investment in a recruitment campaign. As a result, we exceeded our target with an incredible 97.2% of ST1 paediatric roles filled in 2019-2020. The overall fill rate for ST1-ST4 was 94.5%, compared to 86.9% in 2018-19.	 Medium difficulty
A wide-ranging evidence-based research programme The College continued to carry out a wide range of research and evidence programmes and audits to inform the development of policy, service delivery, clinical standards, patient information and quality improvement initiatives to improve child health and support the paediatric workforce. The three national clinical audits were all extended for two years and we grew quality improvement (QI) initiatives through the development of a QI Central portal, which was updated in October 2020. We also established a trainee network to support the development of members' research skills, receiving 23 applications and planning is now underway for a virtual academic training day.	 Low difficulty
Greater focus on income generation The cancellation of face-to-face events impacted our performance on increasing income from sources other than membership, training and examinations – including from grants, trusts, publications, and events. We also did not see the growth in fundraising income that we had hoped for and as a result only 17.8% of our 2019-20 income came from other sources, compared to 21% for 2018-19. Reducing the reliance on income from members is a long-term ambition for the College and work is continuing to explore new income streams including licensing and intellectual property.	 High difficulty

Strategic theme	Level of challenge
Digital transformation New digital technologies allowed the College to deliver better services for members and more efficient working for staff, and COVID-19 made this work more crucial than ever. As part of this digital transformation programme, the College delivered a new digital microsite platform and used it to successfully launch microsites for State of Child Health, QI Central and an ePosters platform. The College has invested in new technology to ensure that clinical and theory examinations are restored in the new financial year: we have undertaken a review of our online training for members with a plan to overhaul in the next financial year: and our internal infrastructure was enhanced pre-lockdown so when the College closed in March all staff had the ability to work remotely.	 Low difficulty
CYP voice to inform and engage in our work The involvement of children and young people (CYP) is important in all work undertaken by the College. In 2019-20 the CYP Engagement team delivered a new CYP strategy and grew engagement in College events, projects and consultations to 2,827 new children and young people compared to 2,218 in 2018-19. The voice of children was often lost at a national level during the pandemic, but the College developed a suite of products to ensure that their views were known to our members and to national policy makers as healthcare needs changed.	 Low difficulty
Sustaining the college through good operational, financial and governance control As a result of COVID-19 the year-end position is a deficit of £0.7m. Although this is a significant improvement from our March forecast, the College's general fund reserves will be £0.4m, below our minimum reserves target of £0.5m. Whilst this is challenging, the College has a strong balance sheet and cashflow to move through this period. The 2020-2021 budget has a surplus of £0.8m, to enable the College to restore reserves in one year. However, there are significant risks related to what activity we can run and how this activity will be able to generate income to support College activity.	 High difficulty

Strategic theme	Level of challenge
Growing our influence and impact The College continued to grow its influence on the delivery of child health services. In 2019-2020, we saw demonstrable improvement in child mortality and quality of care resulting from RCPCH's global work in low income countries, with programme data showing positive impact on mortality and quality of care indicators across programmes and paediatric mortality in government hospitals in Sierra Leone averaging about 9.0% (2019-20) compared with c.15.6% (2016-17). Since its launch on 4 March 2020, our State of Child Health report has been informing advocacy work across the four nations and was used to inform the College's submission to the Children's Rights Alliance observations of the United Nations Convention on the Rights of the Child in UK Government. The Paediatrics 2040 initiative launched its first report in June, supported by an engaging live Q&A with members, with further consultation planned for Autumn 2020. Growth of political engagement with members is on hold as our public affairs function and approach will be refreshed for late 2020 but we continue to see significant impact and reach in our social media. COVID-19 saw the College respond at pace in its influencing with over 15 guidance papers for paediatric services, advice for parents and carers, and high-profile advocacy including over 2,500 paediatricians signing an open letter to encourage schools to reopen.	 Low difficulty
Embedding a good staff culture Supporting, developing and embedding a good staff culture was critical to delivering our organisational strategy and in July 2020 we launched a consultation on How We Pay which focuses on a revised pay framework and job evaluation scheme for the College. Staff engagement was achieved through all-staff focus groups and consultation with UNITE and the newly formed Employee Forum. The impact of COVID-19 on staff has been significant, with a move to home-based working for all staff from March to September and 41 members of staff furloughed for at least three weeks due to a reduction in workload. Support for staff during this time has been a College priority, achieved by a move to virtual all staff meetings, regular sharing of wellbeing advice, tailored support for line managers and regular signposting to mental health services available to employees.	 Low difficulty

Strategic theme	Level of challenge
Sustaining business as usual The College continued to deliver its core services to a high standard, and extend its reach where doing so advances its charitable objects. These services include examinations, assessments, recruitment, member services, campaigning, policy development, and research work and almost all of these areas of College activity were impacted by COVID-19. A number of our theory and clinical exam events due to be held globally did not go ahead due to the COVID-19 outbreak, globally reducing the number of individual exam sittings to 5,316 compared to 7,172 in 2018-19. Given the uncertainty around COVID-19, work is continuing apace for online theory and clinical exams and the College is aiming to deliver online examinations by Winter 2020. Reassuringly, despite these challenging times, our membership has continued to grow and our membership now stands at 19,855 - a growth of 6.5% in year, compared to 18,641 in 2018-19.	 High difficulty

Volunteers

The College is reliant on a considerable number of volunteers, estimated to be over 2900, to achieve its objectives and we are incredibly grateful and indebted to the many individuals who serve in many capacities. This includes the children, young people, parents and carers that form our RCPCH&Us network, the many clinicians that sit on our over seventy committees and those members that act as UK and overseas examiners, tutors, regional advisers or assessors.



"Before I felt alone & isolated. The RCPCH &Us network bought me into this family, this community which has & will continue to share & have a special place in my heart as I move through life."

Thines, &Us founding member

#VoiceMatters



These volunteers provide many hours' work towards achieving the charitable objects of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related.

Fundraising

Fundraising at the College remains a crucial step in ensuring a diverse income portfolio and during the year £0.51m of fundraising income was achieved.

A significant proportion of the fundraising income was the result of legacy gifts left from members of the College, the most significant of which shows in the accounts for this year as a £0.5m gift, donated to enable work focused on Palestinian child health. Further legacy gifts for wider College activity and mental health focused work were also received during the year. Ensuring clear signposting and a clear supporter journey for future pledges of legacy income will be a future fundraising priority.

To support trust and foundation fundraising, the Grants and Partnerships team completed a scoping exercise, created a database of relevant contacts and launched the Child Health Futures initiative, with fundraising streams for children and young person activities, research, education and training, health policy and global child health.

In all fundraising activity, the College abides by all relevant regulation and codes and no fundraising complaints were received throughout the year. The College does not undertake direct fundraising from the public or through any third party organisations.

Although the fundraising target for the year was not met, with the fundraising infrastructure now in place, the College has a real opportunity to build on its fundraising capabilities in the 2020-21 financial year. The challenging fundraising environment brought about by the COVID-19 pandemic will add complexity to this work, but establishing a Development Board to strengthen individual giving and major donor fundraising will help increase the diversity of the College's income.

Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. This area of work has been a particular area of focus for the Board since it was first constituted in November 2016. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Management Team. Building on the progress described in recent years' reports about managing risk, and taking into account best practice in the sector, a strategic and operational risk register are maintained by the organisation, complemented by additional registers for extensive projects or emerging issues, such as COVID-19.

The major risks included in the strategic and operational risk registers across the course of the year to 31 August 2020 cover the paediatric workforce, impact of COVID-19, Brexit, cybersecurity and the visibility of child health. Further detail on these major risks to the College and mitigation that we have put in place to reduce those risks are as follows:

Risks	Mitigation
That the percentage of posts taken at the entry point to paediatric training (the 'ST1 fill rate'), and subsequent retention of paediatricians in training, are not sufficient to ensure future workforce demands are met. This could lead to insufficient qualified and competent child health professionals to deliver high-quality child health services in the UK.	A major campaign promoting careers in paediatrics took place in the 2019-20 year, and will continue in 2020-21. Much of our business as usual activity is focused on the area of workforce, including but not limited to our work through the workforce census, specialty and sub specialty curricula and Continuing Professional Development (CPD) activity.
The potential financial impacts of the COVID-19 pandemic, both on individual activities (such as exams and conferences) and on the College's agreed Reserves Policy and the effects of the COVID-19 pandemic on the workload and wellbeing of College members, volunteers, and staff.	Regular governance oversight, active engagement with the health departments in the UK nations and other relevant bodies to emphasise wellbeing of the workforce. A separate risk register allowed for closer oversight of the many specific short-term risks during the pandemic. Close monitoring of budget and reduction of costs where possible. Development of business recovery plan.
The potential adverse consequences of the UK leaving the European Union – for child health provision across the College's operations in the four Nations – especially in the case of a 'no-deal Brexit'.	Regular oversight of the developments at Executive Committee and Board of Trustees in addition to a cross-College Brexit Response Group. Close working with the Academy of Medical Royal Colleges and liaising with European colleagues as needed. Detailed analysis of impact and mitigations by policy team and lobbying of all national Governments.
Cybersecurity. Despite the College's robust and detailed processes in this area, the threats are always evolving, and the College needs to plan accordingly.	In March 2019, the College received its Cyber Essentials Plus certification, recognising its work in achieving a high level of cybersecurity; this certification was renewed in 2020.
That child health will not be seen as a sufficiently important priority by those responsible for setting UK health policy.	Working with, informing and influencing government and Arm's Length Bodies (ALBs). Ongoing policy and communications activity about the work of the College to ensure the importance of Child Health is highlighted and delivery of Paediatrics 2040.

In addition to these risk management measures, a training course on risk is offered to all staff. Risk management is flagged to new trustees during their induction process as one of their major responsibilities. The staff leads for the risk management process are the CEO, the Director of Corporate Services, and the Head of Governance. The Board has adopted, and periodically reviews, a formal Risk Policy setting out responsibilities in this area.

The operational risk register is maintained by the Head of Governance and reviewed monthly by the Senior Management Team (SMT). It consists of risks that have arisen in the course of the College's everyday work that are of significance for the organisation. Each risk is assigned an SMT owner, who is responsible for implementing appropriate mitigation for the risk. The operational risk register is included in regular reports from the CEO to the Executive Committee and the Board of Trustees, at which it is scrutinised. The risk register of strategic risks contains the risks that present a longer-term (and often an external) challenge to the College's continuing ability to fulfil its charitable objectives. This is maintained by the CEO and the Head of Governance, and is considered regularly by the Audit, Finance and Risk Committee and the Board of Trustees.

Plans for Future Periods

The College strategy for 2018-2021 spans infants, children and young people, paediatricians and child health. It seeks real impact across education and training, our members, service planning and delivery, and improved practice in child health and wellbeing. Last year, the College took the additional step in identifying strategic themes for the year with objectives to measure success, supported by annual divisional operational plans.

In looking to 2020-21, we developed a business recovery plan as our operational strategy to return to business as usual after the initial impact of the COVID-19 pandemic and ensure we can continue our vital work to support global child health priorities and the paediatricians who deliver this work. The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities and identified the key strategic areas to support the College in resetting priorities, restoring business as usual and recovering sustainably.

Resetting our priorities does not mean a revolutionary reset of how the College will achieve its mission; rather reflecting on how we can work most effectively in a year with reduced capacity. It is more crucial than ever that the College focuses efforts where we can make the most difference, and bring the unique skills and experience of our staff to bear in the way that makes the greatest impact. During COVID-19 our usual College activities have seen a great deal of change. Whilst we must continue to take a flexible approach to ensure we can react to new challenges as they arise, it is also important that we find a way to restore our key areas of activity like examinations and training.

Recovering sustainably means finding a balance between preparing for future challenges and delivering in-year activity. The College will always work towards a healthier future for children and young people across the world, but to make this mission a reality we must have longevity as an organisation. We will also ensure this by addressing external challenges on the horizon such as climate change.

Objectives for 2020-21

Our priorities for the next year will continue our mission for a healthier future for children and young people across the world. We will achieve this through a focus on the following strategic areas:

- **Member representation and support** - engaging and supporting the full breadth of our membership including across all four Nations and our international members.
- **Retention and wellbeing** - building on our careers work for paediatrics by looking at how skilled, passionate individuals can be retained within the profession.
- **Improving standards and quality** - continuing to push for better standards and quality through evidence based approaches.
- **Workforce need** - continuing to focus on the needs of the paediatric workforce.
- **Enabling progression of the future paediatric workforce** - ensuring our clinical and theory examinations, both within the UK and internationally, START and recruitment can continue to support the paediatricians of future.
- **Influence and impact** - building on the influential role of the College during COVID-19 across stakeholders to continue to ensure the best outcomes for children and young people and further establish our wide-ranging evidence-based research programme.
- **CYP voice** - continuing to use the voice of children and young people to inform and engage our work and push for others to do the same.
- **Utilising digital technologies to support face to face delivery** - continuing to provide a place for paediatric learning, support and networking, but increasingly looking to virtual technologies in addition to our face-to-face events.
- **Rebuilding reserves** - protecting the future of the College by rebuilding reserves and diversifying ways in which income is generated.
- **COVID-secure return** - supporting our staff through ensuring our COVID-secure ways of working reflect the values of the College whilst ensuring there is fluidity in the College culture as workload and ways of working continue to evolve and adapt to changing conditions.
- **Organisational culture** - continuing to embed the staff culture of 'One College' through the delivery of the People Strategy.
- **Operational safeguarding** - protecting the College through good operational, financial and governance control.

2021 will bring a new President and Chair of Trustees, and their input and direction in the development of our next three-year strategy will be vital. With a view to developing consistent measures of impact, we have also identified the following Key Performance Indicators (KPIs) that we will look to report over multiple years to improve how we track the work of the College:

1. Number of members worldwide taking our examinations.
2. Number of members.
3. Our Unique Personal Engagement score, including online engagement.
4. The number of people that attend our online and face-to-face educational training courses.
5. The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees.
6. Our staff engagement score, as measured through our all-staff surveys.

Over the next twelve months we will also look to develop robust KPIs to monitor improvements for attrition and retention of paediatricians, and measure our influence and impact across policy and external affairs.

Financial review

The Statement of Financial Activities for the year is set out on page 29 of the financial statements.

The impact of COVID-19 has led to a reduction of income across both general and restricted funds of £2.6m and a yearend deficit of £0.2m. The majority of this income fall was within the general fund, £2.7m, but swift and decisive action to safeguard our future meant that the financial impact was heavily mitigated through significant cost savings and appropriate financial support from the Government through the furlough scheme. The overall impact on the College's general fund reserves was a reduction of £0.7m.

Ensuring that our reserves are rebuilt and the College is protected from any future financial risks is our priority for 2020-21 and membership subscriptions, representing 35% of income in 2019-20 will provide a solid foundation for this. The impacts of COVID-19, however, are not over and there remains uncertainty in how government legislation around travel, Brexit implications and social distancing will change over the coming months and how this will impact our examinations and events; two significant income streams for the College. Given the uncertainty and risk in the next financial year, a key mitigation is our clear plan to monitor progress, allowing us to identify areas for concern early and take steps to reduce any negative impacts. Our business recovery plan, KPIs and internal reporting processes provide the tools to ensure the College not only survives but thrives in the next twelve months.

Financial overview

The year to 31 August 2020 has been significantly affected by the national response to the COVID-19 pandemic and this is apparent in many of the year on year comparisons shown in this review.

The overall net movement in funds was a decrease of £0.2m (2018-19 £1m decrease) which comprises a decrease in general and designated funds of £0.7m and an increase in restricted funds (funds received and used for a specific purpose) of £0.5m.

The College's total income was £15.3m (2018-19 £17.9m) of which £2.9m (2018-19 £2.8m) has restrictions as to its use. For example, a grant given for a project can only be used for the purposes of the project. This restricted income is separately identified and unspent restricted income at the end of the financial year is referred to as restricted funds. Unspent restricted funds at the end of the project are returned to the funder.

Income decreased by 15% during the financial year and was £2.6m lower than the previous financial year.

Membership subscriptions totalled £5.4m in 2019-20 (2018-19 £5.5m). This decrease of £0.1m was the result of a realignment of our fee structure and set against the background of an increase in membership of 6.5% (from 18,641 to 19,855). Assessment income fell by £1.8m or 36% from £5m to £3.2m, as this activity has been severely restricted as a result of lockdowns and people being unable to travel; other education income decreased by 25% to £1.3m (2018-19 £1.8m) as a result of not being able to provide face-to-face training courses.

Development income, which includes that for Events and Publications was 28% lower at £0.9m (2018-19 £1.3m). Events income for 2019-20 is £0.1m, an 83% decrease on the same figure for 2018-19 with the decline primarily related to the inability to hold Annual Conference this year and the impact of COVID-19 related restrictions on other planned events. Publications income totals £0.9m (2018-19 £0.9m) and includes £0.7m (2018-19 £0.8m) in respect of the surplus due to the College from the joint venture to publish Archives of Disease in Childhood. Most members receive this important and respected College publication as part of their membership. Full access to the Archives of Disease in Childhood website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Publications income also includes £100k (2018-19 £102k) given to the College by the College's associated undertaking RCPCH Publications Limited, which is equally owned by the College and the Neonatal Paediatric Pharmacists Group (NPPG). RCPCH Publications Limited is one of three parties to a joint venture to produce the British National Formulary for Children (BNFC). The aim of BNFC is to assist those who prescribe, dispense or administer medicines for children. BNFC is unusual in that it covers the off-label use of medicines and also lists unlicensed medicines necessary for the treatment of children.

Note 13 details performance of the College's wholly-owned subsidiary undertaking, British Paediatric Services Limited (BPSL), the net profit of which is donated to the College as a gift aid payment each year. Income for the company is £0.25m, £0.25m less than last year. Of the surplus of £191k, £100k was transferred to the College during the year and the balance will be transferred in 2020-21.

International income has decreased by £0.2m (15%) to £1.1m. The RCPCH Global team are currently working with partners, DFID, UNICEF, WHO and the Jersey Overseas Aid Commission in Myanmar, Rwanda and Sierra Leone.

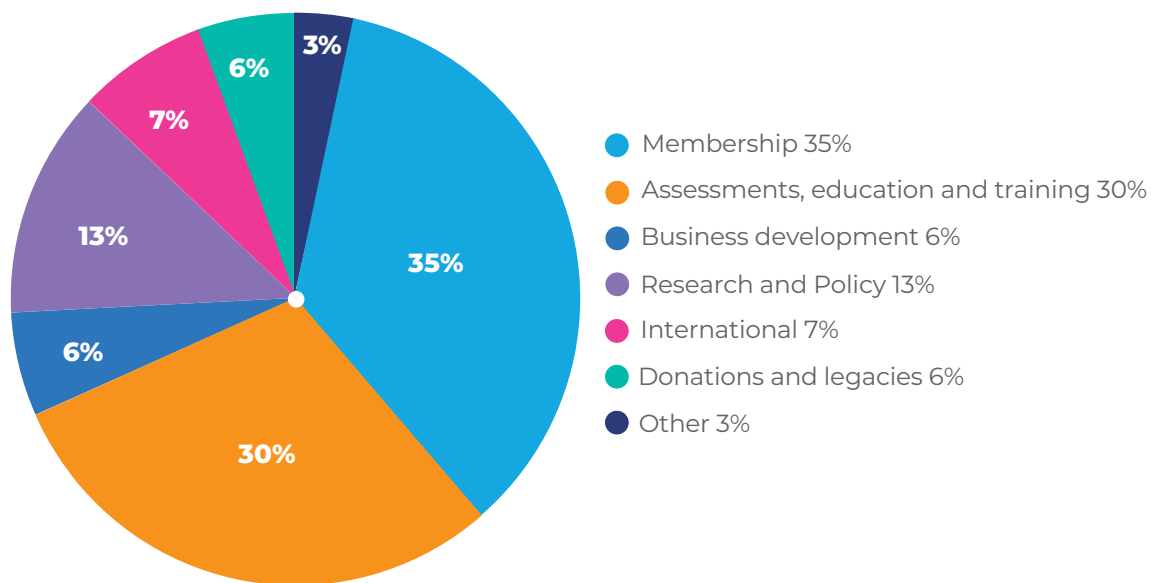
Restricted income received during the year was £2.9m, an increase of £0.1m on 2018-19. Further information on restricted funds is provided in note 21a on page 44.

Designated income increased to £0.9m, an increase of £0.3m on last year. The designated

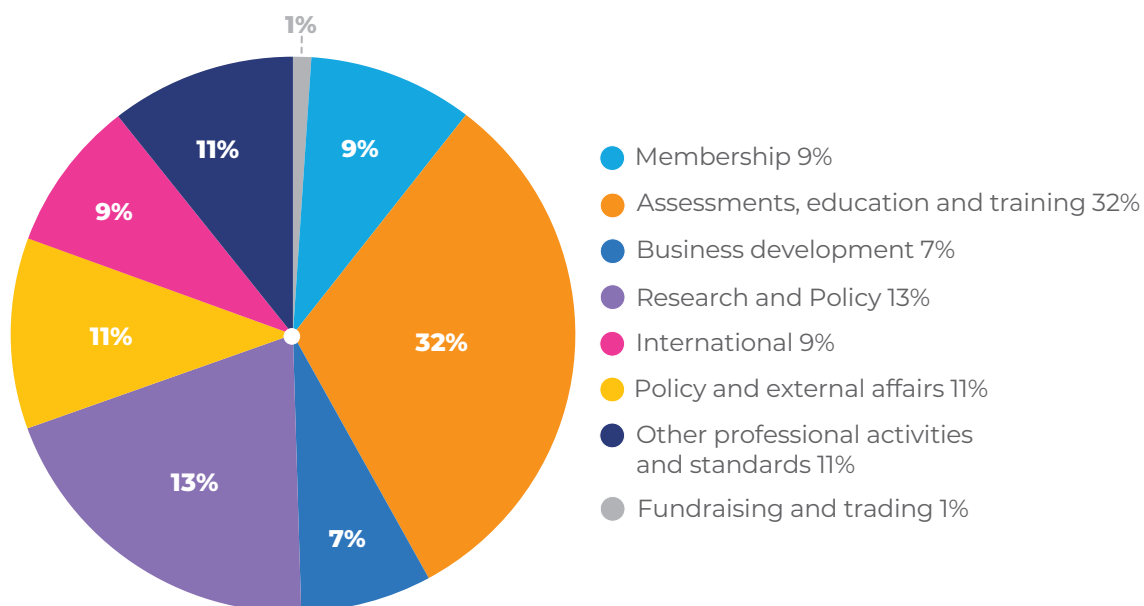
fund balance at 31 August 2020 is £17.5m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 21.

Total expenditure has decreased by £1.1m from £16.7m to £15.6m. This reduction is because the College undertook a cost-cutting exercise to reduce all non-salary expenditure in response to the pandemic and the reduction in income. During the year the College used the Coronavirus Job Retention Scheme to recover £150k of salary costs for furloughed staff.

This year's financial performance resulted the College's General Funds Reserve falling to £341k, from £1m in 2018-19. Designated funds have remained constant at £17.5m.



Pie chart summarising income sources for 2019-20 – full detail in the SOFA on page 29.



Pie chart summarising expenditure areas for 2019-20 – full detail on note 4 on pages 36-37.

Investment policy and objectives

In 2019 the College placed £1m into an investment portfolio managed by Aberdeen Standard Capital. The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested; seeking to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling time-frame.

In addition to this, £3.1m has been placed in an Aberdeen Liquidity Fund, a 24-hour call, interest bearing deposit that is treated as cash in these accounts.

Premises

The College's freehold premises at 5-11 Theobalds Road were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4m mortgage loan with the Royal Bank of Scotland plc to fund the purchase. Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m. A valuation of the premises carried out by Knight Frank in 2019 set the fair value at £16.8m and the related impairment was reflected in last year's accounts.

At year-end the College's offices in Belfast, Cardiff and Edinburgh continue to be rented, however it is intended to replace these with a remote working solution as individual lease agreements expire.

Reserves policy

The General Funds represent the 'free' funds of the College which are not designated for particular purposes or restricted in any way; they are essentially the College's reserves. Such funds need to be held as reserves to permit a responsible reaction to uncertainties.

The College's Reserves Policy has a target for the reserve balance to sit within the range £0.5m to £1m and the current balance is £341k. Designated funds at year end are £17.5m. Details of all designated funds together with the anticipated timing of this expenditure can be found in note 21a to the accounts. Restricted funds are £2.4m, an increase of £0.4m over last year. Details of this work can be found in note 21a to the accounts.

Donations disclosure

In the financial year 2019-20 the College has received the following donations in support of its activities. These donations provided support for future work on Palestinian child health, training courses on recognising neuromuscular disorders in children, an eLearning module, a podcast series to support health care professionals teaching children to swallow tablet medicine and a research project on indoor air quality.

Hussein and Margaret El Shamy Estate	£500,000
PTC Therapeutics	£30,360
e-Integrity	£13,571
Dyson Foundation	£20,210

14 donations, each no more than £5,000, in support of other activities totaled £32,391.97.

Pay Transparency and Equality

In 2020 the College initiated a review of how it pays staff, noting that the existing pay framework was dated and confusing. The revised pay framework affords full transparency and improved consistency across teams. Salaries will be benchmarked using external data to ensure pay and reward is commensurate and enables the College to attract and retain the skills it requires to progress its strategy. This work reinforces the College's reputation as an employer of choice. It also provides a solid platform to manage costs effectively which is essential to the longer-term sustainability of the College.

Objects and activities

Purposes and aims

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

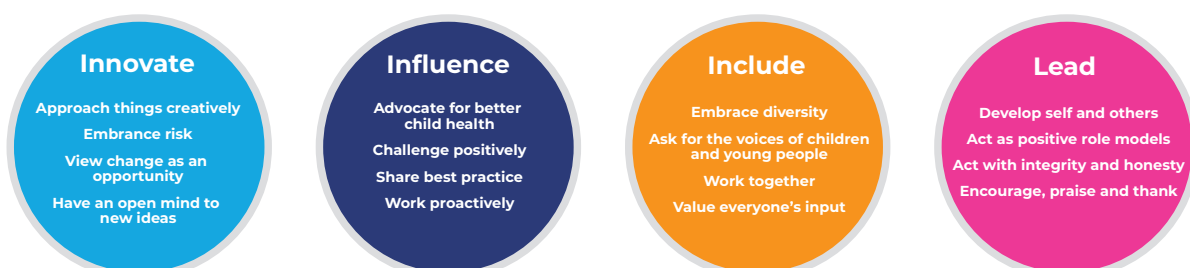
The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance Public benefit: running a charity (PB2).

Vision, Mission and Values

Our vision is **"To transform child health through knowledge, innovation and expertise"**

This will be achieved through our mission for a healthier future for children and young people across the world and our College values of innovating, influencing, including and leading.



Structure, Governance and Management

The RCPCH was established under a Royal Charter, which established the objects and powers of the charitable company. The charity is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The current version of these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The Trustees delegate day-to-day management of the charity to the CEO, and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees. The senior committees of the College are as follows:

Board of Trustees

- Chaired by Dame Mary Marsh
- President, Registrar, Treasurer
- 4 Member trustees
- 3 external trustees, appointed to address skills gaps
- Beneficiary representative

Council

- Chaired by the President
- Representative body of the membership responsible for setting strategy

Executive Committee

- Chaired by the President
- Responsible for delivering strategy
- Senior officers
- SMT

Audit, Finance and Risk Committee

- Chaired by the Treasurer

Appointments Panel

- Chaired by the Chair of Trustees
- Responsible for the appointment of new trustees

The College also has two subsidiary undertakings: British Paediatric Services Ltd (100% owned) and RCPCH Publications Ltd (50% owned). The results of these subsidiaries are consolidated in the group financial statements. Further details are given below under 'Subsidiary Undertakings'.

All Trustees give their time voluntarily and receive no benefits from the charity for their work as Trustees. Any expenses reclaimed from the charity by Trustees are set out in note 6 to the accounts. Trustees are permitted by the Royal Charter to receive remuneration from the RCPCH for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 6 to the accounts.

Appointment, induction and training of Trustees

Under the governing documents, two of the trustee posts (President and Registrar) are appointed via election by eligible College members. All other Trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector.

Trustee induction and training

All Trustees receive an induction upon appointment and in addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document *The Essential Trustee* (CC3).
- The RCPCH's governing and management structures, and its strategy and workplan.
- The RCPCH's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

Reference and administrative information

For the year ended 31 August 2019

Charity number: 1057744
Charity number: SC038299

Countries of registration: England & Wales, Scotland
Registered office and operational address: 5-11 Theobalds Road, London, WC1X 8SH

Trustees:

Dame Mary Marsh	Chair
Professor Russell Viner	President
Dr Mike Linney	Registrar
Dr Elizabeth Marder	Treasurer
Dr Carol Roberts	Member Trustee
Dr David Vickers	Member Trustee
Dr John Williams	Member Trustee
Dr John Jenkins CBE	Member Trustee until 31 March 2020
Dr Bhanu Williams	Member Trustee from 1 April 2020
Ms Gillian Budd	External Trustee
Mr Mark Devlin	External Trustee
Mr Anthony Dunnett CBE	External Trustee
Mr Jon Foster	Beneficiary Trustee until 7 October 2019
Ms Adrija Bhattacharyya	Beneficiary Trustee from 8 October 2019

Senior Management:

Jo Revill	Chief Executive Officer
Emily Arkell	Director of Research & QI (from 15 April 2019)
Louise Frayne	Director of People
David Howley	Director of Corporate Services
Jonathan Miall	Director of Membership and Business Development
Robert Okunnu	Director of Policy & External Affairs
Daniel Waeland	Director of Education & Training (from 15 June 2020)
Natasha Neill	Chief of Staff (from 2 January 2020)

Julia O'Sullivan	Director of Education & Training (until 16 March 2020)
Jacqueline Fitzgerald	Director of Research and QI (until 19 October 2019)

Bankers: Royal Bank of Scotland plc, LONDON. WC1V 6PQ

Solicitors: Hempsons, 40 Villiers Street, LONDON, WC2N 6NJ

Auditor: Sayer Vincent LLP, Chartered Accountants and Statutory Auditor
Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

Statement of Trustees' Responsibilities

The trustees (who are also directors of Royal College of Paediatrics and Child Health 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 and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information

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 legislation in other jurisdictions.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 8 December 2020 and signed on their behalf by



Dame Mary Marsh, Chair of Trustees



Independent auditor's report For the year ended 31 August 2020

Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health (the 'parent charity') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)
- Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters,

the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

28 January 2021

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Gabriel

Great White

Sand Shark

Bull Shark



Royal College of Paediatrics and Child Health
Consolidated statement of financial activities (incorporating an income and expenditure account)
For the year ended 31 August 2020

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2019 Total £'000
Income from:									
Donations and legacies		7	503	–	510	6	7	–	13
Charitable activities									
Membership		5,416	–	–	5,416	5,505	–	–	5,505
Assessment		3,241	–	–	3,241	4,996	–	–	4,996
Business Development		898	–	–	898	1,252	–	–	1,252
Education & Training		1,161	146	–	1,307	1,491	262	–	1,753
Research & Policy		760	1,216	–	1,976	443	1,284	–	1,727
Policy and External Affairs		28	–	–	28	26	–	–	26
International		137	971	–	1,108	139	1,175	–	1,314
Other trading activities		228	26	–	254	467	37	–	504
Investments		49	–	–	49	39	–	–	39
Other		529	34	–	563	747	27	–	774
Total income		12,455	2,895	–	15,350	15,111	2,792	–	17,903
Expenditure on raising funds									
Fundraising trading	4	150	12	–	162	331	–	–	331
Charitable activities									
Membership	4	1,476	–	–	1,476	1,382	–	–	1,382
Assessment	4	2,073	–	–	2,073	3,164	–	–	3,164
Business Development	4	1,126	46	–	1,172	1,179	43	–	1,222
Education & Training	4	2,636	213	–	2,850	2,395	65	–	2,460
Research & Policy	4	1,837	1,281	–	3,118	2,086	1,305	–	3,391
Policy and External Affairs	4	1,736	–	–	1,736	1,508	13	–	1,521
International	4	451	915	–	1,365	490	1,190	–	1,680
Other professional activities and standards.									
	4	1,630	30	–	1,660	1,495	39	–	1,534
Total expenditure		13,117	2,497	–	15,613	14,031	2,654	–	16,685
Net income / (expenditure) before net gains / (losses) on investments		(662)	398	–	(263)	1,080	138	–	1,218
Unrealised gains / (losses) on investments	12	32	–	–	32	45	–	–	45
Net income / (expenditure) for the year	5	(630)	398	–	(231)	1,125	138	–	1,263
Transfers between funds		(56)	56	–	–	(46)	46	–	–
Net income / (expenditure) before other recognised gains and losses		(686)	454	–	(231)	1,079	184	–	1,263
Gains / (losses) on revaluation of fixed assets		–	–	–	–	(2,278)	–	–	(2,278)
Other gains / (losses)		–	–	–	–	–	–	–	–
Net movement in funds		(686)	454	–	(232)	(1,199)	184	–	(1,015)
Reconciliation of funds:									
Total funds brought forward		18,557	1,972	15	20,544	19,756	1,788	15	21,559
Total funds carried forward		17,871	2,426	15	20,312	18,557	1,972	15	20,544

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 20a to the financial statements.

Royal College of Paediatrics and Child Health **Consolidated statement of cash flows** **For the year ended 31 August 2020**

Note	2020 £'000	2019 £'000
Cash flows from operating activities		
Net income for the reporting period (as per the statement of financial activities)	(232)	1,263
Depreciation charges	447	167
(Gains)/losses on investments	(32)	(45)
Dividends and interest from investments	(49)	(39)
Mortgage interest payable	27	27
(Increase)/decrease in stocks	5	(7)
(Increase) in debtors	134	(11)
(Decrease)/Increase in creditors	(432)	436
Net cash provided by operating activities	(132)	1,791
Cash flows from investing activities:		
Dividends and interest from investments	49	39
Mortgage interest paid	(26)	(31)
Purchase of tangible fixed assets	(175)	(106)
Purchase of intangible fixed assets	(158)	(286)
Purchase of investments	(394)	(1,000)
Disposals of Investments	358	
Gain or loss of Investments	17	
Net cash (used in) investing activities	(329)	(1,384)
Cash flows from financing activities:		
Repayments of borrowing	(142)	(137)
Net cash (used in) financing activities	(142)	(137)
Change in cash and cash equivalents in the year	(603)	270
Cash and cash equivalents at the beginning of the year	6,832	6,562
Cash and cash equivalents at the end of the year	6,229	6,832

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	6,832	(603)	–	6,229
a Total cash and cash equivalents	6,832	(603)	–	6,229
Loans falling due within one year	174	–	2	176
Loans falling due after more than one year	1,865	(142)	–	1,723
Total	4,793	(461)	(2)	4,330

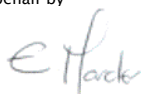
Royal College of Paediatrics and Child Health **Balance sheet** **For the year ended 31 August 2020**

	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets:					
Tangible assets	10	16,897	17,081	16,897	17,081
Intangible assets	11	518	448	518	448
Investments	12	1,097	1,048	1,097	1,048
		18,513	18,577	18,513	18,577
Current assets:					
Stock		15	20	-	-
Debtors	15	2,585	2,719	2,603	2,653
Cash at bank and in hand		6,229	6,832	6,092	6,710
		8,829	9,571	8,695	9,363
Liabilities:					
Creditors: amounts falling due within one year	16	(5,307)	(5,739)	(5,263)	(5,704)
Net current assets / (liabilities)		3,522	3,832	3,432	3,659
Total assets less current liabilities		22,035	22,409	21,944	22,236
Creditors: amounts falling due after one year		(1,723)	(1,865)	(1,723)	(1,865)
Net assets		20,312	20,544	20,221	20,371
Funds:	21a				
Restricted and endowment funds		2,441	1,986	2,410	1,981
Unrestricted income funds:					
Designated funds		17,493	17,565	17,493	16,122
General funds		378	993	318	2,268
Total unrestricted funds		17,871	18,558	17,811	18,390
Total funds		20,312	20,544	20,221	20,371

Approved by the trustees on 08 December 2020 and signed on their behalf by



Dame Mary Marsh
Chair of Trustees



Dr Liz Marder
Treasurer

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

1 Accounting policies

a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

b) 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). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the on-going impact and uncertainties of the pandemic. Recognising the College's strong cash position at the start of the year, they have set a budget that results in a significant surplus with the intention of restoring the reserves consumed in the previous year. They have reviewed the uncertainties implicit in this budget, in particular to Membership Income, Examinations Income and Conference Income, undertaken contingency planning should remote working solutions for conferences and other educational events be required and restructured the management accounting in the College to focus upon the risks identified. As such they continue to hold the view that there are no material uncertainties around going concern over the next twelve months

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.

The trustees have reviewed the carrying value of the property for impairment in light of Covid 19 and its possible effects on property values and have sought professional advice on the matter. Based on this advice, the trustees are comfortable that the carrying value of the property does not exceed its fair value and therefore no impairment is required.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

1 Accounting policies (continued)

e) 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.

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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.

g) Fund accounting

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

1 Accounting policies (continued)

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	11%
● Assessment	14%
● Business Development	5%
● Education and Training	14%
● Research & Quality Improvement	14%
● Policy & External Affairs	16%
● International	5%
● Other professional activities	22%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

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

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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:

● Fixtures	5 years
● Office equipment	10 years
● IT hardware	3 years
● Intangibles – Database & Software	5–7 years
● Website	7 years
● Building	50 years

n) 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. 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.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

1 Accounting policies (continued)

o) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) 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.

q) 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.

r) 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.

s) Financial instruments

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.

t) Pensions

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

2 Income from investments

	2020	2019
	Total	Total
	£'000	£'000
Interest on Bank Deposits	27	28
	<u>27</u>	<u>28</u>

All income from investments is unrestricted.

3 Grants

	Balance at 1 September 2019 £'000	Received in year £'000	Balance at 31 August 2020 £'000	Income £'000
Group and College				
Government & government agencies	87	1,528	184	1,431
Other grants	70	680	46	704
	<u>156</u>	<u>2,208</u>	<u>230</u>	<u>2,134</u>

Income from grants is included in restricted funds incoming resources as follows:

	2020	2019
	Total	Total
	£'000	£'000
Children & Young People	29	13
Education & training	122	252
Research & Policy	1,079	1,119
International	904	1,077
Total income from grants	<u>2,134</u>	<u>2,461</u>

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

4a Analysis of expenditure (current year)

	Charitable activities												
	Fundraising trading £'000	Membership £'000	Assessment £'000	Business development £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities £'000	Governance costs £'000	Support costs £'000	2020 Total £'000	2019 Total £'000
									*				
Staff costs	–	372	807	666	1,871	1,973	1,231	374	1,276	–	–	8,569	7,869
Other direct costs	162	832	911	373	621	731	112	860	(190)	27	–	4,441	6,325
<i>Other allocated costs:</i>													
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	577	577	798
Information and technology	–	–	–	–	–	–	–	–	–	–	1208	1,208	1,130
Finance	–	–	–	–	–	–	–	–	–	–	265	265	211
Corporate services	–	–	–	–	–	–	–	–	–	–	497	497	353
	162	1,204	1,718	1,039	2,492	2,705	1,343	1,233	1,086	27	2547	15,557	16,686
Support costs	–	273	355	133	357	357	393	131	547	–	(2,547)	–	–
Governance costs	–	–	–	–	–	–	–	–	27	(27)	–	–	–
Total expenditure 2020	162	1,476	2,073	1,172	2,850	3,062	1,736	1,365	1,661	–	–	15,557	16,686

*This includes Corporate Services, HR and CEO divisions

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

4b Analysis of expenditure (prior year)

	Charitable activities											
	Fundraising trading £'000	Membership £'000	Assessment £'000	Business development £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities £'000	Governance costs £'000	Support costs £'000	2019 Total £'000
Staff costs	–	337	1,124	616	1,419	1,887	1,050	339	1,097	–	0	7,869
Other direct costs	331	738	1,624	452	625	1,066	226	1,189	44	31	0	6,325
Other allocated costs:												
Premises & Facilities	–	–	–	–	–	–	–	–	–	–	798	798
Information and technology	–	–	–	–	–	–	–	–	–	–	1130	1,130
Finance	–	–	–	–	–	–	–	–	–	–	211	211
Corporate services	–	–	–	–	–	–	–	–	–	–	353	353
	331	1,075	2,747	1,068	2,044	2,954	1,276	1,528	1,141	31	2492	16,686
Support costs	–	307	417	154	417	437	245	152	363	–	–2492	–
Governance costs	–	–	–	–	–	–	–	–	31	(31)	0	–
Total expenditure 2019	331	1,382	3,164	1,222	2,461	3,391	1,521	1,680	1,535	–	0	16,686

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

5 Net income / (expenditure) for the year

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation/Amortisation	447	167
Revaluation of fixed asset	-	2,278
Loss or profit on disposal of fixed assets	-	-
Interest payable	27	27
Operating lease rentals:		
Property	71	80
Other	180	202
Auditor's remuneration (excluding VAT):		
Audit	18	18
Other services	3	1
Foreign exchange gains or losses	-	-
	447	2,278

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

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	7,038	6,600
Social security costs	771	710
Employer's contribution to defined contribution pension schemes	569	543
Redundancy and termination costs	191	16
	8,569	7,869

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	5	6
£70,000 – £79,999	1	-
£80,000 – £89,999	4	3
£90,000 – £99,999	-	-
£100,000 – £109,999	-	-
£110,000 – £119,999	-	1
£12	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £716,000 (2019: £658,000). No trustee received any remuneration as part of this figure.

No (2019: one) trustees received payment (2019: £150) in relation to work carried out under the Invited Review programme. No other trustees either received or waived any emoluments during the year (2019: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £8,802 (2019: £13,040) incurred by 7 (2019: 10) members relating to attendance at meetings of the trustees.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities. The gender split in the College workforce is 70% female 30% male and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

7 Staff numbers

The average number of employees during the year was 184 (2019: 176) on a head count basis and 148 (2018: 140) on a full time equivalent basis.

Staff are split across the activities of the charity as follows (head count basis):

	2020 No.	2019 No.
Membership	5.3	4.8
Examinations	13.8	23.2
Business Development	10.5	11.0
Education & Training	39.8	29.1
Research & QI	36.7	35.0
Policy and External Affairs	23.9	22.8
International	5.9	5.1
Support	48.3	44.7
	184.0	175.7

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

8 Related party transactions

Jo Revill, CEO of RCPCH, is a Trustee of Science Media Centre (SMC).

In 2019/2020, the College made a donation of £2,500 to the Science Media Centre.

Professor Russell Viner, President of RCPCH and a Trustee of the College, is an employee of University of London (UCL) and has an honorary academic contract with Public Health England (PHE). Additionally from April 2020 Russell Viner appointed as a Non-Executive Director for Great Ormond Street Hospital.

In 2019/2020, the College received the following from UCL:

- £144 in relation to CPD Approval Fees
- £2,002 which was a reimbursement of funds to Russell Viner in relation to travel for a speaker for the Adolescent Health Conference 2019
- £12,500 in relation to the annual grant contribution to the work of BPSU

The College received the following from UCL – Institute of Child Health;

- £252 in relation to CPD Approval Fees
- £2,500 in relation to a BPSU Surveillance study
- £12,500 in relation to the annual grant contribution to the work of BPSU

As at 31/08/2020, College owes UCL – Institute of Child Health £36 refund in relation to an overpayment of a CPD Approval Fee Sales Invoice.

In 2019/2020, the College received the following from PHE:

- £25,000 in relation to the annual grant contribution to the work of BPSU
- £35,000 in relation to three BPSU Surveillance studies

As at 31/08/2020, £15,000 remains outstanding and owed to College in relation to a BPSU

The College received the following from GOSH – Great Ormond Street Hospital ;

- £180 was received in relation to CPD Approval Fees
- £1,000 was received in relation to delegate registrations fees for a course

British Paediatric Services Limited incurred the following transactions from GOSH – Great Ormond Street;

- £23,520 was received in relation to MTI sponsorship fees
- £8,400 remains outstanding in relation to MTI sponsorship fees (though £1,680 from this amount has been paid post year-end)
- £1,080 was refunded to GOSH – the original invoice was related to Exhibition Stand for AC 2020 which was cancelled, hence the refund.

Dr Elizabeth Marder, the Treasurer and a Trustee of the College, is an employee of Nottingham University Hospitals NHS NHS Trust and, also a trustee of the Down Syndrome Medical Interest Group (DSMIG).

In 2019/2020, the College received £22,759 from Nottingham University Hospitals NHS Trust in relation to 2018/2019 and 2019/2020 participation in the National CYP Diabetes Quality Programme.

Furthermore £4,608 was received in BPSL from DSMIG, in relation to meeting room and equipment hire, and refreshments.

Dr David Vickers, a Member Trustee of the College, is also Governor and Trustee of British Association for Community Child Health (BACCH).

In 2019/2020, the College made a payment of £40 to BACCH in relation to BACCH Conference Dinner. The College received £120,752 from BACCH in relation to the service level agreement for the provision of office services.

At 31/08/2020, £21,508 remains outstanding and owed to College in relation to June–August 2020 salary recharge.

Furthermore, £648 was received in BPSL from BACCH in relation to refreshments and catering for meetings.

Dr John Jenkins, a Member Trustee of the College, is also a Fellow of the Royal College of Physicians of Ireland (RCPI).

As at 31/08/2020, RCPI owe BPSL £1,296 which remains outstanding; this is in relation to license to access PCO UK.

Dr Bhanu Williams, a Member Trustee of the College, is employed by London North West University Healthcare NHS Trust (LNWH NHS Trust) and is also a Member of British Paediatric Allergy Infection and Immunity Group (BPAIIG).

In 2019/2020, £161 was received in BPSL from BPAIIG in relation to refreshments and catering for a meeting held at 5–11 Theobalds Road building.

As at 31/08/2020, a Sales invoice for £15 in relation to registration for a study day remains outstanding with LNWH NHS Trust.

Furthermore, LNWH NHS Trust owe BPSL £1,680 which remains outstanding; this is in relation to MTI sponsorship fee.

Anthony Dunnett, an Independent Trustee of the College, is a Non-Executive Member of the Foreign, Commonwealth & Development Office's (FCDO) Audit and Risk Assurance Committee.

In 2019/20 the College received funding amounting to £312,267 from FCDO or Agencies working in conjunction with it, in relation to projects carried out in Sierra Leone.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2020 £'000	2019 £'000
UK corporation tax at 19%	-	-

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

10 Tangible fixed assets

The group and college

Cost or valuation	Fixtures, office equipment, and IT hardware £'000	Freehold property £'000	Total £'000
At the start of the year	1,263	16,799	18,062
Additions in year	175	–	175
Disposals in year	(190)	–	(190)
At the end of the year	1,249	16,799	18,048
Depreciation			
At the start of the year	982		982
Charge for the year	123	236	359
Loss on impairment	–	–	–
Eliminated on disposal	(190)	–	(190)
At the end of the year	915	236	1,151
Net book value			
At the end of the year	334	16,563	16,897
At the start of the year	282	16,799	17,081

Land with a value of £5,000,000 (2019: £5,000,000) is included within freehold property and not depreciated.

Any properties held at valuation were last valued on 23rd August 2019 by Knight Frank.

The trustees have reviewed the carrying value of the property for impairment in light of Covid 19 and its possible effects on property values and have sought professional advice on the matter. Based on this advice, the trustees are comfortable that the carrying value of the property does not exceed its fair value and therefore no impairment is required.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2019 – £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

11 Intangible fixed assets

The group and college

Cost

At the start of the year
 Additions in year
 Disposals in year

IT Software
 £'000

Total
£'000

727

158

–

885

727

158

–

885

At the end of the year

Depreciation

At the start of the year
 Charge for the year
 Eliminated on disposal

279

88

–

367

279

88

–

367

At the end of the year

Net book value

At the end of the year

518

518

At the start of the year

448

448

12b Listed investments

The group and charity

2020

2019

£'000

£'000

Fair value at the start of the year

1,024

–

Additions at cost

394

1,000

Disposal proceeds

(358)

–

Net gain / (loss) on change in fair value

17

24

1,077

1,024

Cash held by investment broker pending reinvestment

21

24

Fair value at the end of the year

1,097

1,048

2020

2019

£'000

£'000

Aberdeen Money Market

209

357

Gilts

32

43

Listed shares on stock exchange

835

624

Cash

21

24

1,097

1,048

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

13 Subsidiary undertaking

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Elizabeth Marder is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians.

	2020		2019	
	RCPCH £'000	BPSL £'000	RCPCH £'000	BPSL £'000
Turnover	235,882	253,434	242,309	504,749
Cost of sales and administrative expenses	(39,152)	(62,651)	(37,538)	(130,610)
Operating profit	196,730	190,783	204,771	374,139
Interest receivable	274	334	237	485
Net profit	197,005	191,117	205,008	374,624
Charitable trading funds				
Balance at 1 September	-	174,624	-	313,166
Net profit	197,005	191,117	205,008	374,624
To be gifted to College for year ended 31 August	(98,502)	(274,628)	(102,504)	(513,166)
To be gifted to NPPG for year ended 31 August	(98,502)	-	(102,504)	-
Balance at 31 August	-	91,113	-	174,624
College share				
Balance at 1 September	4	4	-	4
Balance at 31 August	4	91,113	-	174,624

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2019- £42k) for College staff, newsletter advertising and facilities used.

The first edition of the British National Formulary for Children ("BNFC") was published in September 2005 with the website going live that month and publication of a CD rom version in October 2005. The year ended 31 August 2020 principally includes the company's share of income and costs associated with developing and publishing the 2020/21 edition of BNFC which was published in September 2020.

The BNFC is produced as a joint venture, the arrangements for which were formalised in an agreement between RCPCH Publications Limited, The Royal Pharmaceutical Society and BMJ Publishing Group Limited dated 13 April 2005. The parties to the joint venture then entered into a three-year supply agreement with the Department of Health dated 20 September 2005 that will ensure all relevant health professionals in England will receive the BNFC. This agreement has recently been renewed under the auspices of NICE (the National Institute for Clinical Excellence).

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020	2019
	£'000	£'000
Gross income	15,096	17,399
Result for the year	(343)	(1,189)

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

15 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	918	844	867	786
Other debtors	541	458	532	458
Amounts due from associated undertakings	122	104	204	106
Prepayments	525	817	519	807
Accrued income	480	496	480	496
	2,585	2,719	2,603	2,653

Included in amounts due from associated undertakings for the charity is a loan to British Paediatric Limited amounting to £81,793.

16 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Mortgage loan	176	174	176	174
Trade creditors	255	701	244	687
Taxation and social security	355	297	352	294
Member subscriptions deferred	1,404	1,391	1,404	1,391
Accruals	223	738	204	736
Deferred income (Note 17)	2,894	2,438	2,882	2,422
	5,307	5,739	5,263	5,704

17 Deferred income

Deferred income comprises of examination income and invoices;

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	2,438	2,076	2,422	2,045
Amount released to income in the year	(3,989)	(4,527)	(3,934)	(4,326)
Amount deferred in the year	4,446	4,889	4,393	4,703
	2,895	2,438	2,881	2,422

18 Creditors: amounts falling due after one year

	The charity	
	2020	2019
	£'000	£'000
Mortgage loan	1,723	1,865
	1,723	1,865
Analysis of mortgage loan not wholly repayable within 5 years by instalments		
In more than one year but not more than two years	174	174
In more than two years but not more than five years	522	522
In more than five years	1,027	1,169

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 10.49% (2017- 11.23%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

Interest was charged at 6.40% on the first £2,500,000 for the period until 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £569,000 (2019:£541,000).

20a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	–	16,897	–	–	16,898
Intangible assets	–	518	–	–	518
Investments	–	1,097	–	–	1,097
Net current assets	378	704	2,426	15	3,522
Long term liabilities	–	(1,723)	–	–	(1,723)
Net assets at 31 August 2020	378	17,493	2,426	15	20,312

20b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	–	17,081	–	–	17,081
Intangible assets	–	448	–	–	448
Investments	–	1,048	–	–	1,048
Net current assets	993	854	1,971	15	3,832
Long term liabilities	–	(1,865)	–	–	(1,865)
Net assets at 31 August 2019	993	17,566	1,971	15	20,544

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

21a Movements in Funds (current year)

	At 1 September 2019 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2020 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Restricted Funds					
Business Development					
Paul Polani Fund	57	–	(12)	–	45
Other Awards & Prizes	24	3	–	–	27
El Shamy Bequest		500			500
Child Health Research Fund	220	–	(33)	(1)	186
International Projects	27	963	(908)	–	82
Education & Training					
Other Education & Training Funds	360	146	(214)	–	292
Research & QI					
Research & QI Funds	815	1,224	(1,252)	26	813
Policy & External Affairs					
Royalties from PCHR	401	23	(49)	–	375
Policy & External Affairs Funds	31	1	–	–	32
Other					
CYP Participation	37	35	(29)	31	74
Total restricted and endowment funds	1,987	2,895	(2,497)	56	2,441
Unrestricted Funds					
Business Development					
International Training Fund	39	17	(31)	–	25
Overseas Levy	20	120	(128)	–	12
Education & Training					
CPD Diaries Fund	11	1	–	–	12
Exam Booking System Fund	96	–	(35)	–	61
Research & QI					
Diabetes QAQI	172	757	(497)	–	432
Other					
Committed Expenditure Fund	120	–	(45)	–	75
General Donations Fund	59	7	–	–	66
Writing Down Reserve	679	–	(211)	333	801
Charitable Trading Subsidiary Fund	–	228	(150)	(78)	–
Fixed Asset Fund	15,190	–	–	(236)	14,954
Infrastructure Fund	631	–	–	–	631
Strategy Fund	434	–	(170)	–	264
Paediatrics 2040	6	–	–	–	6
Holiday Pay Accrual Fund	107	–	(107)	154	154
General Funds	992	11,357	(11,742)	(229)	378
Total Unrestricted Funds	18,558	12,487	(13,116)	(56)	17,872
Total Funds	20,544	15,382	(15,613)	–	20,312

The narrative to explain the purpose of each fund is given at the foot of the note below.

Royal College of Paediatrics and Child Health
Notes to the financial statements
For the year ended 31 August 2020

21b Movements in Funds (prior year)

	At 1 September 2018 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2019 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Restricted Funds					
Business development					
Paul Polani Fund	72	–	(15)	–	57
Other Awards & Prizes	25	–	(1)	–	24
Child Health Research Fund	240	7	(27)	–	220
International Projects	41	1,175	(1,190)	–	26
Education & Training					
Other Education & Training Funds	162	262	(65)	–	359
Research & QI					
Research & QI Funds	799	1,284	(1,305)	37	815
Policy & External Affairs					
Royalties from PCHR	377	37	(13)	–	401
Policy & External Affairs Funds	32	–	–	–	32
Other					
CYP Participation	40	27	(39)	9	37
Total restricted and endowment funds	1,803	2,792	(2,655)	46	1,986
Unrestricted Funds					
Business Development					
International Training Fund	46	32	(39)	–	39
Overseas Levy	43	107	(81)	(49)	20
Education & Training					
CPD Diaries Fund	50	–	(39)	–	11
Exam Booking System Fund	310	–	(214)	–	96
Research & QI					
Diabetes QAQI	180	440	(448)	–	172
Other					
Committed Expenditure Fund	5	–	–	115	120
General Donations Fund	68	8	(17)	–	59
Writing Down Reserve	454	–	(167)	392	679
Charitable Trading Subsidiary Fund	–	467	(331)	(136)	–
Fixed Asset Fund	17,267	–	(2,277)	200	15,190
Infrastructure Fund	306	–	(25)	350	631
Strategy Fund	200	–	–	234	434
Paediatrics 2040	–	–	(60)	66	6
Holiday Pay Accrual Fund	23	–	–	84	107
General Funds	804	14,102	(12,612)	(1,302)	993
Total Unrestricted Funds	19,756	15,156	(16,309)	(46)	18,558
Total Funds	21,559	17,948	(18,964)	–	20,544

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2020

Permanent Endowment Funds comprise the Michael Blacow Memorial Fund and the James Spence Medal Fund. They are in respect of endowments received by the British Paediatric Association transferred to the College at its inception together with a subsequent donation from Mr Peter Blacow to enable the Michael Blacow Memorial Fund to maintain the value of its awards in future. The income generated by these funds is included in Other Awards and Prizes restricted income and is used to further

Paul Polani Fund arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by

El Shamy Bequest – An amount given to the College to fund Child Health Projects in the Palestinian Territories

Other Awards and Prizes is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

Child Health Research Fund is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

International Projects represents the balances held on all Global Health team projects.

Education & Training and Research & Policy Funds are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions.

CYP Participation Fund a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

Overseas Levy was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System – holding duration fully expended in 2020–21.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary holding duration fully expended in 2020–21.

Committed Expenditure fund to meet specific commitments related to College infrastructure – holding duration indeterminate.

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £30,000 (2019 – £30,000) – holding duration indeterminate.

Writing-Down Reserve is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

Fixed Asset Fund identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

Infrastructure Fund – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – holding duration indeterminate.

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan including the Future Paediatrician project – holding duration life of the three-year plan i.e. to 2020–21.

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2020 holding duration fully

General Funds represent the free funds of the College which are not designated for particular purposes.

22 Operating lease commitments payable as a lessee

The group and charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of

	Property		Equipment	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Less than one year	40	56	27	199
One to five years	15	3	40	18
	55	59	67	217

23 Analysis of changes in net debt

	At 30 September 2019 £	Cash flows £	Fair value movements £	Other non- cash changes £	At 31 August 2020 £
Cash	6,832	(232)	(49)	(322)	6,229
Total cash and cash equivalents	6,832	(232)	(49)	(322)	6,229
Loans falling due within one year	174	–	–	–	174
Loans falling due after more than one year	1,865	(168)	–	27	1,724
Total	8,871	(400)	(49)	(295)	8,127

**Royal College of
Paediatrics and Child Health**
Report and financial statements for the year ending 31 August 2020

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