

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



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# 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:

<b>The number of people that attend our online and face-to-face educational training courses</b>	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
<b>Our Unique Personal Engagement (UPE) score, including online engagement</b>	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
<b>Number of members</b>	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
<b>Number of members worldwide taking our examinations</b>	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
<b>The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees</b>	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
<b>Our staff engagement score, as measured through our all-staff surveys</b>	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.

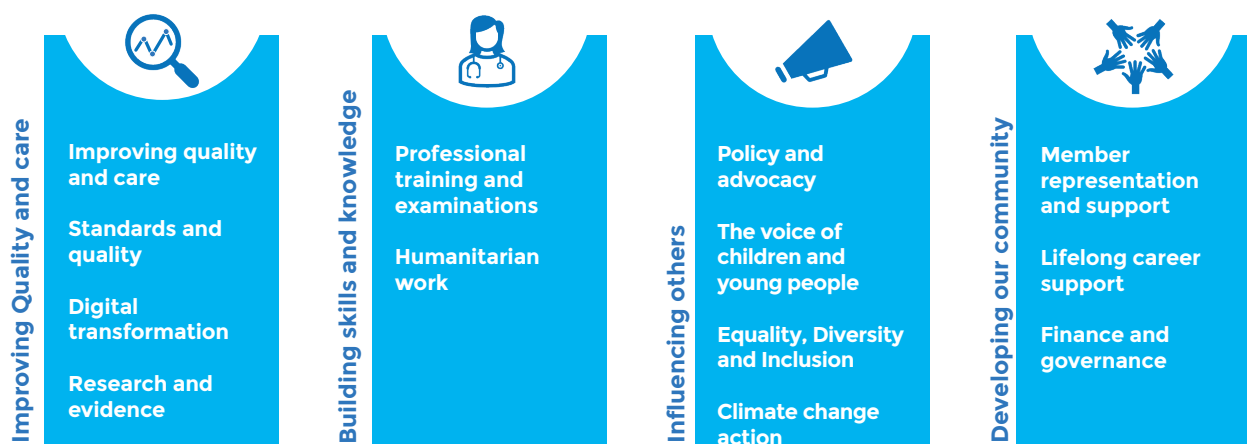
Our 2021-24 strategy will build on what we have learnt during the pandemic, using new ways of working and interacting, and robustly addressing our workforce needs. The last year or so has placed even greater burdens on child health professionals and our strategy makes the support for lifelong careers 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 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.

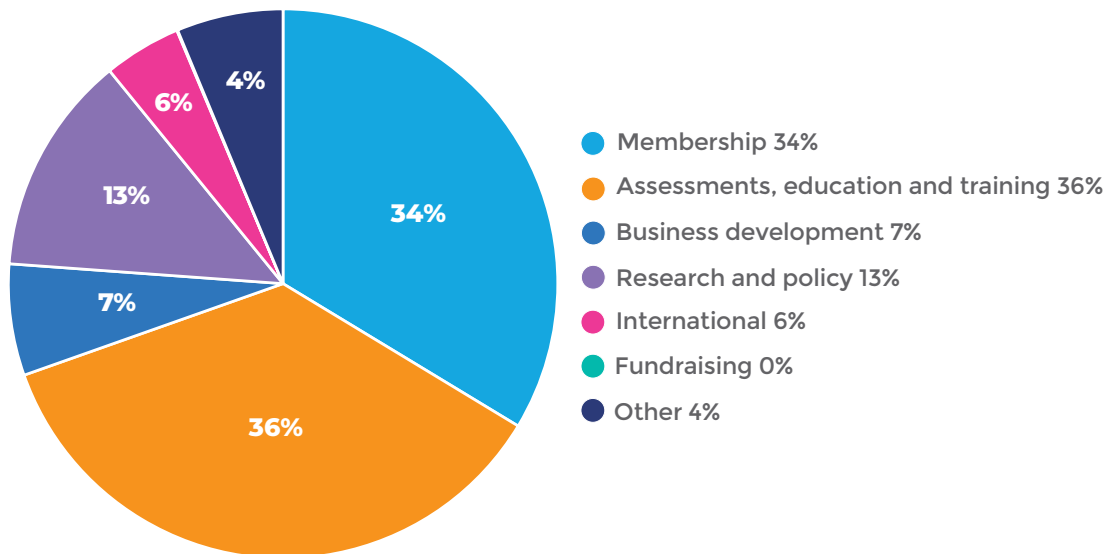
International income has decreased by £0.1m (9%) to £1.0m. The RCPCH Global team are currently working with partners, UNICEF and the Jersey Overseas Aid Commission in Myanmar, Rwanda and Sierra Leone.

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.

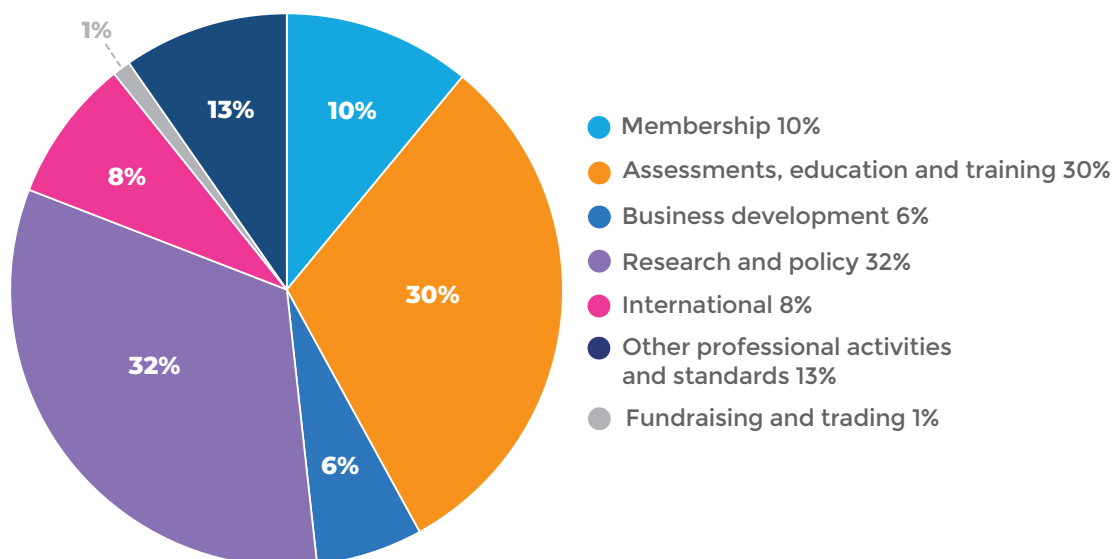
Designated income increased to £1.0m, an increase of £0.1m on last year. The designated fund balance at the 31 August 2021 is £18.7m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 45.

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:

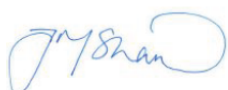
- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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](http://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
<b>Income from:</b>									
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
<b>Total income</b>		<b>13,942</b>	<b>2,408</b>	<b>–</b>	<b>16,350</b>	<b>12,454</b>	<b>2,896</b>	<b>–</b>	<b>15,350</b>
<b>Expenditure on raising funds</b>									
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
<b>Total expenditure</b>		<b>12,344</b>	<b>2,253</b>	<b>–</b>	<b>14,597</b>	<b>13,117</b>	<b>2,497</b>	<b>–</b>	<b>15,614</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>1,598</b>	<b>154</b>	<b>–</b>	<b>1,753</b>	<b>(663)</b>	<b>399</b>	<b>–</b>	<b>(264)</b>
Unrealised gains / (losses) on investments	12	255	–	–	255	32	–	–	32
<b>Net income / (expenditure) for the year</b>	5	<b>1,853</b>	<b>155</b>	<b>–</b>	<b>2,008</b>	<b>(631)</b>	<b>399</b>	<b>–</b>	<b>(232)</b>
Transfers between funds		(61)	61	–	–	(56)	56	–	–
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,792</b>	<b>216</b>	<b>–</b>	<b>2,008</b>	<b>(687)</b>	<b>455</b>	<b>–</b>	<b>(232)</b>
<b>Net movement in funds</b>		<b>1,792</b>	<b>216</b>	<b>–</b>	<b>2,008</b>	<b>(687)</b>	<b>455</b>	<b>–</b>	<b>(232)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		17,870	2,427	15	20,312	18,557	1,972	15	20,544
<b>Total funds carried forward</b>		<b>19,662</b>	<b>2,643</b>	<b>15</b>	<b>22,320</b>	<b>17,870</b>	<b>2,427</b>	<b>15</b>	<b>20,312</b>

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 £'000	2020 £'000
<b>Cash flows from operating activities</b>		
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)
<b>Net cash provided by operating activities</b>	<b>2,583</b>	<b>(132)</b>
<b>Cash flows from investing activities:</b>		
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
<b>Net cash (used in) investing activities</b>	<b>(1,607)</b>	<b>(329)</b>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(153)	(142)
<b>Net cash (used in) financing activities</b>	<b>(153)</b>	<b>(142)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>823</b>	<b>(603)</b>
Cash and cash equivalents at the beginning of the year	6,229	6,832
<b>Cash and cash equivalents at the end of the year</b>	<b>7,051</b>	<b>6,229</b>

	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
<b>Total cash and cash equivalents</b>	<b>6,229</b>	<b>822</b>	<b>-</b>	<b>7,051</b>
Loans falling due within one year	176		(1)	175
Loans falling due after more than one year	1,723	(153)		1,570
<b>Total</b>	<b>4,331</b>	<b>(153)</b>	<b>(1)</b>	<b>5,307</b>

**Royal College of Paediatrics and Child Health**  
**Balance sheet**  
**For the year ended 31 August 2021**

		<b>The group</b>		<b>The charity</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Note	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets:</b>					
Tangible assets	10	<b>17,082</b>	16,897	<b>17,082</b>	16,897
Intangible assets	11	<b>474</b>	518	<b>474</b>	518
Investments	12	<b>2,371</b>	1,097	<b>2,371</b>	1,097
	-	<b>19,927</b>	18,513	<b>19,927</b>	18,513
<b>Current assets:</b>					
Stock		-	15	-	-
Debtors	15	<b>2,225</b>	2,585	<b>2,142</b>	2,603
Cash at bank and in hand		<b>7,051</b>	6,229	<b>6,964</b>	6,092
		<b>9,276</b>	8,829	<b>9,106</b>	8,695
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	<b>(5,312)</b>	(5,307)	<b>(5,244)</b>	(5,263)
<b>Net current assets / (liabilities)</b>		<b>3,964</b>	3,522	<b>3,862</b>	3,432
<b>Total assets less current liabilities</b>		<b>23,890</b>	22,035	<b>23,789</b>	21,944
Creditors: amounts falling due after one year	18	<b>(1,570)</b>	(1,723)	<b>(1,570)</b>	(1,723)
<b>Net assets</b>		<b>22,320</b>	20,312	<b>22,219</b>	20,221
<b>Funds:</b>	21a				
Restricted and endowment funds		<b>2,658</b>	2,442	<b>2,648</b>	2,410
Unrestricted income funds:					
Designated funds		<b>18,742</b>	17,493	<b>18,742</b>	17,493
General funds		<b>920</b>	378	<b>829</b>	318
Total unrestricted funds		<b>19,662</b>	17,870	<b>19,571</b>	17,811
<b>Total funds</b>		<b>22,320</b>	20,312	<b>22,219</b>	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
	<b>34</b>	<b>27</b>

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
<b>Group and College</b>				
Government & government agencies	184	1,279	190	1,273
Other grants	46	658	68	636
	<b>230</b>	<b>1,937</b>	<b>258</b>	<b>1,909</b>

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	<b>1,909</b>	<b>2,134</b>

**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	-	-	<b>8,510</b>	8,570
Other direct costs	166	692	743	55	104	552	181	591	85	21	-	<b>3,190</b>	4,440
Other allocated costs:	-	-	-	-	-	-	-	-	-	-	-	-	-
Premises & Facilities	-	-	-	-	-	-	-	-	-	-	486	<b>486</b>	577
Information and technology	-	-	-	-	-	-	-	-	-	-	1,549	<b>1,549</b>	1,208
Finance	-	-	-	-	-	-	-	-	-	-	225	<b>225</b>	265
Corporate services	-	-	-	-	-	-	-	-	-	-	637	<b>637</b>	497
	166	1,117	1,549	704	1,899	2,504	1,355	1,045	1,340	21	2897	<b>14,597</b>	15,557
Support costs	-	393	438	181	505	549	246	146	439	-	(2,897)	-	-
Governance costs	-	-	-	-	-	-	-	-	21	(21)	-	-	-
<b>Total expenditure 2021</b>	<b>166</b>	<b>1,510</b>	<b>1,987</b>	<b>885</b>	<b>2,405</b>	<b>3,054</b>	<b>1,601</b>	<b>1,191</b>	<b>1,800</b>	<b>-</b>	<b>-</b>	<b>14,597</b>	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)	–	–
<b>Total expenditure 2020</b>	<b>162</b>	<b>1,399</b>	<b>2,004</b>	<b>1,150</b>	<b>2,809</b>	<b>3,007</b>	<b>1,720</b>	<b>1,341</b>	<b>1,965</b>	<b>–</b>	<b>–</b>	<b>15,557</b>

\* 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
	<b>8,510</b>	<b>8,569</b>

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
	<b>177.6</b>	<b>184.2</b>

## 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
<b>Depreciation</b>				
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
<b>Net book value</b>				
<b>At the end of the year</b>	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
<b>Depreciation</b>		
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
<b>Net book value</b>		
<b>At the end of the year</b>	474	474
At the start of the year	518	518

#### 12 Listed investments

	The group and charity	
	2021 £'000	2020 £'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 £'000	2020 £'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
<b>Net profit</b>	<b>193,064</b>	<b>217,044</b>	<b>197,005</b>	<b>191,117</b>
<b>Charitable trading funds</b>				
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)	
<b>Balance at 31 August</b>	<b>–</b>	<b>100,044</b>	<b>–</b>	<b>91,113</b>
<b>College Share</b>				
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**

	<b>The group</b>		<b>The charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
	<b>2,225</b>	<b>2,585</b>	<b>2,142</b>	<b>2,603</b>

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**

	<b>The group</b>		<b>The charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
	<b>5,312</b>	<b>5,307</b>	<b>5,244</b>	<b>5,263</b>

# 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
<b>Permanent Endowment Funds</b>					
Permanent Endowment Funds	15	-	-	-	15
<b>Restricted Funds</b>					
<b>Business Development</b>					
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
<b>Education &amp; Training</b>					
Other Education & Training Funds	292	165	(201)	(5)	251
<b>Research &amp; QI</b>					
Research & QI Funds	813	1,351	(1,218)	89	1,035
<b>Policy &amp; External Affairs</b>					
Royalties from PCHR	375	22	(62)	-	335
Policy & External Affairs Funds	32	4	-	-	36
<b>Other</b>					
CYP Participation	74	13	(46)	21	62
<b>Total restricted and endowment funds</b>	<b>2,442</b>	<b>2,407</b>	<b>(2,252)</b>	<b>61</b>	<b>2,658</b>
<b>Unrestricted Funds</b>					
<b>Business Development</b>					
International Training Fund	25	-	(2)	-	23
Overseas Levy	12	154	(151)	-	15
<b>Education &amp; Training</b>					
CPD Diaries Fund	12	-	-	-	12
Exam Booking System Fund	61	-	(35)	-	26
<b>Research &amp; QI</b>					
Diabetes QAQI	432	772	(477)	-	727
<b>Other</b>					
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
<b>Total Unrestricted Funds</b>	<b>17,870</b>	<b>14,198</b>	<b>(12,345)</b>	<b>(61)</b>	<b>19,662</b>
<b>Total Funds</b>	<b>20,312</b>	<b>16,605</b>	<b>(14,597)</b>	<b>-</b>	<b>22,320</b>

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
<b>Permanent Endowment Funds</b>					
Permanent Endowment Funds	15	–	–	–	15
<b>Restricted Funds</b>					
<b>Business development</b>					
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
<b>Education &amp; Training</b>					
Other Education & Training Funds	360	146	(214)	–	292
<b>Research &amp; QI</b>					
Research & QI Funds	815	1,224	(1,252)	26	813
<b>Policy &amp; External Affairs</b>					
Royalties from PCHR	401	23	(49)	–	375
Policy & External Affairs Funds	31	1	–	–	32
<b>Other</b>					
CYP Participation	37	35	(29)	31	74
<b>Total restricted and endowment funds</b>	<b>1,987</b>	<b>2,896</b>	<b>(2,497)</b>	<b>56</b>	<b>2,441</b>
<b>Unrestricted Funds</b>					
<b>Business Development</b>					
International Training Fund	39	17	(31)	–	25
Overseas Levy	20	120	(128)	–	12
<b>Education &amp; Training</b>					
CPD Diaries Fund	11	1	–	–	12
Exam Booking System Fund	96	–	(35)	–	61
<b>Research &amp; QI</b>					
Diabetes QAQI	172	757	(497)	–	432
<b>Other</b>					
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
<b>Total Unrestricted Funds</b>	<b>18,558</b>	<b>12,486</b>	<b>(13,116)</b>	<b>(56)</b>	<b>17,872</b>
<b>Total Funds</b>	<b>20,545</b>	<b>15,382</b>	<b>(15,613)</b>	<b>–</b>	<b>20,312</b>



## 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

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