

Charity Number: 1057744
Charity Number: SC038299

Royal College of Paediatrics and Child Health

Report and financial statements for the year ended 31 August 2022

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Introduction

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

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


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

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

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

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

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



Joanne Shaw
Chair of Trustees









Liz Marder
Treasurer

Achievements and performance

Impact

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

The KPIs for 2021-22 are as follows:

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

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

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

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

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

Improving quality and care

Standards and quality

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

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

Digital transformation

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

Research and evidence

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

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

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

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

Building skills and knowledge

Professional training and examinations

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

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

Humanitarian work

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

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

Influencing others

Policy and advocacy

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

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

The voice of children and young people

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

Equality, Diversity, and Inclusion (EDI)

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

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

Climate change action

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

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

Developing our community

Member representation and support

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

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

Lifelong career support

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

Finance and governance

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

Volunteers

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

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

Dr Deji Jaiyesimi, Trainee paediatrician and RCPCH Ambassador

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

Fundraising

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

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

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

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

Principal risks and uncertainties

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

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

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

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

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

Plans for future periods

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

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

Objectives for 2022-23

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



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

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

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

Financial review

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

Financial overview

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

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

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

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

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

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

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

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

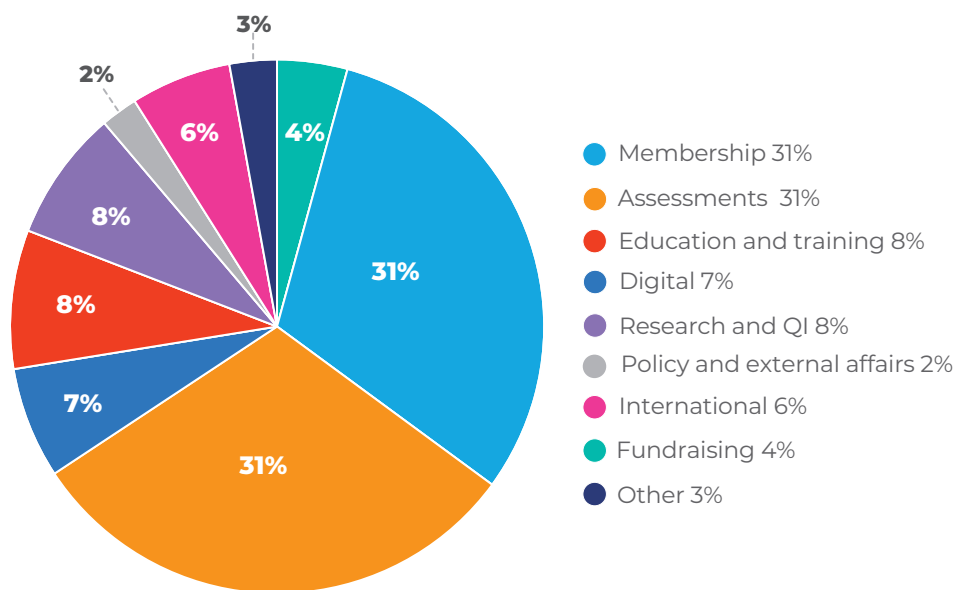
International income has increased by £0.1m (22%) to £1.1m. The RCPCH Global team are currently working with partners, UNICEF, DIFD and the James Percy Foundation in Lebanon, Myanmar, Rwanda and Sierra Leone.

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

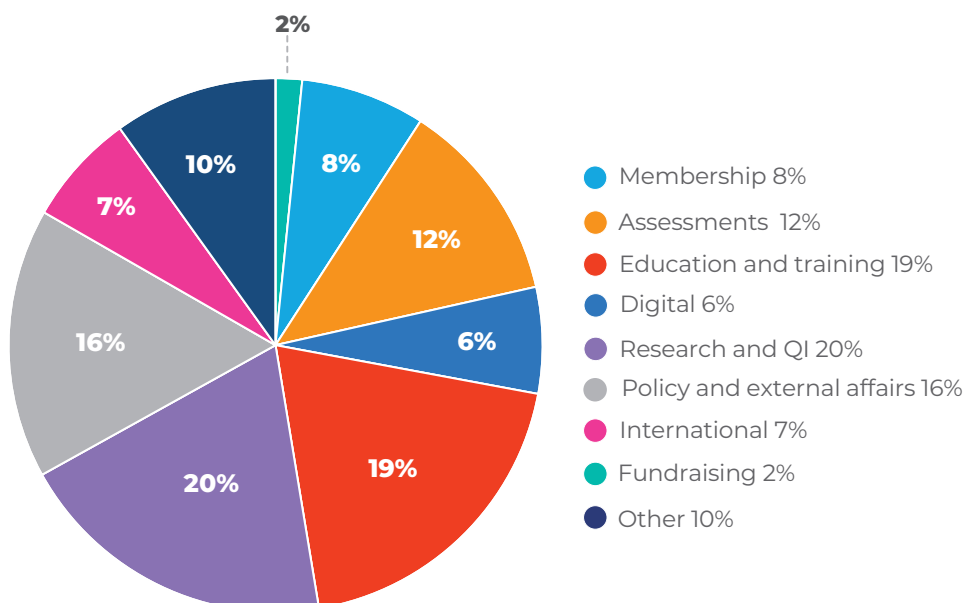
Designated income decreased to £169k, a fall of £794k on last year which is accounted for as all remaining income relating to the National Diabetes Quality Programme was received in 2020/21. The designated fund balance at 31 August 2022 is £19.1m, as the freehold property the College owns sits within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

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

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



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



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

Investment policy and objectives

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

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

Premises

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

Reserves policy

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

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

Donations disclosure

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

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

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

Pay transparency and equality

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

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

Objects and activities

Purposes and aims

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

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

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

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

Vision, mission and values

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

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



Structure, governance and management

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

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

Board of Trustees

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

Council

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

Executive Committee

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

Audit, Finance and Risk Committee

- Chaired by the Treasurer

Remuneration Committee

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

Appointments Panel

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

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

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

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

Appointment, induction and training of Trustees

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

Trustee induction and training

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

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

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

Reference and administrative information

For the year ended 31 August 2022

Charity number: 1057744
Charity number: SC038299

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

Trustees:

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

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

Senior Management:

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

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

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

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

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

Statement of Trustees' Responsibilities

The trustees (who are also directors of Royal College of Paediatrics and Child Health for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

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

Auditor

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

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

Joanne Shaw, Chair of Trustees



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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of our report

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

20 December 2022

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

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



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

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

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20a to the financial statements.

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

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

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

Joanne Shaw
Chair of Trustees

Dr Liz Marder
Treasurer

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

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

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

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

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

1 Accounting policies (continued)

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

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

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

f) Interest receivable

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

g) Fund accounting

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

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

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

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

h) Expenditure and irrecoverable VAT

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

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

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

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

1 Accounting policies (continued)

i) Allocation of support costs

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

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

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

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

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

l) Operating leases

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

m) Tangible fixed assets

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

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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

n) Listed investments

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

Investments in subsidiaries

Investments in subsidiaries are at cost.

Royal College of Paediatrics and Child Health

Notes to the financial statements

For the year ended 31 August 2022

1 Accounting policies (continued)

o) Stocks

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

p) Debtors

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

q) Cash at bank and in hand

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

r) Creditors and provisions

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

s) Financial instruments

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

t) Pensions

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

2 Income from investments

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

All income from investments is unrestricted.

3 Grants

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

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

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

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

4a Analysis of expenditure (current year)

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

* This includes Corporate Services, HR and CEO divisions

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4b Analysis of expenditure (prior year)

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

* This includes Corporate Services, HR and CEO divisions

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

5 Net income / (expenditure) for the year

This is stated after charging:

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

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

Staff costs were as follows:

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

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

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

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

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

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

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

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

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

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

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

8 Related party transactions

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

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

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

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

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

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

£450 in relation to registration fees for a CPD course

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Related party transactions (continued)

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

Dr Bhanu Williams, a Member Trustee of the College, is employed by London Northwest University Healthcare NHS Trust (LNWH NHS Trust) and is part-time seconded to Health Education England (HEE).

The following payments were received from HEE during the financial year:

£2,166.67 for the supply of Effective Education Supervision training materials
£3,600 in registration fees for a CPD course.

£15 was written off in the financial period for an invoice issued to LNWH NHS Trust owed to RCPCH for a Fellowship study day (CPD) issued on 18/02/2020.

Adam Igra, an independent Trustee of the College from October 2020 is Director of Innovation at Guy's & St. Thomas' NHS FT. The Following payments were received from the Institute to College or BPSL during the 2021/2022 financial year;

£4,800 in relation to MITI sponsorship fees (invoiced in the previous financial period) received in BPSL
£6,720 in relation to MITI sponsorship fees which £3,360 each was received in College and BPSL
£5,249 received in college for Associate members and training fee

9 Taxation

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

	2022 £'000	2021 £'000
UK corporation tax at 19%	-	-

10 Tangible fixed assets

The group and college

	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
Cost or valuation				
At the start of the year	1,401	331	16,799	18,531
Additions in year	203	96	-	299
Disposals in year	(235)	-	-	(235)
At the end of the year	1,369	427	16,799	18,595
Depreciation				
At the start of the year	977	-	472	1,449
Charge for the year	187	39	236	462
Loss on impairment	-	-	-	-
Eliminated on disposal	(234)	-	-	(234)
At the end of the year	930	39	708	1,677
Net book value				
At the end of the year	439	388	16,091	16,918
At the start of the year	424	331	16,327	17,082

Land with a value of £5,000,000 (2021: £5,000,000) is included within freehold property and not depreciated.

Any properties held at valuation were last valued on 31 July 2022 by Knight Frank.

All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2021 - £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

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

11 Intangible fixed assets

The group and college	IT Software	Total
Cost	£'000	£'000
At the start of the year	938	938
Additions in year	32	32
Disposals in year	–	–
At the end of the year	970	970
Amortisation		
At the start of the year	463	463
Charge for the year	93	93
Eliminated on disposal	–	–
At the end of the year	556	556
Net book value		
At the end of the year	413	413
At the start of the year	474	474

12 Listed investments

	The group and charity	
	2022	2021
	£'000	£'000
Fair value at the start of the year	2,323	1,077
Additions at cost	840	1,327
Disposal proceeds	(685)	(336)
Net gain / (loss) on change in fair value	(208)	255
	2,270	2,323
Cash held by investment broker pending reinvestment	20	48
Fair value at the end of the year	2,290	2,371
	2022	2021
	£'000	£'000
Aberdeen Money Market	378	620
Gilts	72	56
Listed shares on stock exchange	1,820	1,647
Cash	20	48
	2,290	2,371

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

13 Subsidiary undertaking

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

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

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

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

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

	2022		2021	
	RCPCH Publications £	BPSL £	RCPCH £	BPSL £
Turnover	200,463	419,013	231,402	266,697
Cost of sales and administrative expenses	(39,032)	(159,682)	(38,353)	(49,674)
Operating profit	161,431	259,331	193,049	217,022
Interest receivable	57	89	15	22
Net profit	161,488	259,420	193,064	217,044
Charitable trading funds				
Balance at 1 September	–	100,044	–	91,116
Net profit	161,488	259,420	193,064	217,044
To be gifted to College for year ended 31	(80,744)	(200,044)	(96,532)	(208,116)
To be gifted to NPPG for year ended 31	(80,744)	–	(96,532)	–
Balance at 31 August	–	159,420	–	100,044

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

In respect of RCPCH Publications Limited the College charged £42,000 (2021 – £42,000) for College staff, newsletter advertising and facilities used.

14 Parent charity

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

	2022 £'000	2021 £'000
Gross income	17,453	16,292
Result for the year	2,107	1,745

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15 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	386	890	198	771
Other debtors	658	344	656	344
Amounts due from associated undertakings	82	98	121	148
Prepayments	587	432	587	419
Accrued income	466	461	467	460
	2,179	2,225	2,029	2,142

16 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Mortgage loan	193	175	193	175
Trade creditors	641	509	641	507
Taxation and social security	349	379	349	371
Accruals	355	744	378	737
Deferred income (Note 17)	3,329	3,505	3,217	3,454
	4,867	5,312	4,777	5,244

17 Deferred income

Deferred income comprises of examination income and invoices from other services.

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	3,505	4,298	3,454	4,286
Amount released to income in the year for				
Membership subscriptions	(1,387)	(1,357)	(1,388)	(1,405)
Amount released to income in the year exams and invoices	(5,078)	(5,584)	(4,986)	(5,550)
Amount deferred in the year	6,289	6,148	6,137	6,123
Balance at the end of the year	3,329	3,505	3,217	3,454

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18 Creditors: amounts falling due after one year

	The charity 2022 £'000	2021 £'000
Mortgage loan	1,399	1,570
	1,399	1,570
Analysis of mortgage loan not wholly within 5 years by instalments		
In more than one year but not more than	175	175
In more than two years but not more than	522	522
In more than five years	702	873

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 10.49% (2021- 11.23%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

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

19 Pension scheme

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £618,000 (2021:£569,000).

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

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	16,918	-	-	16,918
Intangible assets	-	413	-	-	413
Investments	-	2,290	-	-	2,290
Net current assets	1,973	860	2,990	15	5,838
Long term liabilities	-	(1,399)	-	-	(1,399)
Net assets at 31 August 2022	1,973	19,082	2,990	15	24,060

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

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	17,082	-	-	17,082
Intangible assets	-	474	-	-	474
Investments	-	2,371	-	-	2,371
Net current assets	920	385	2,643	15	3,963
Long term liabilities	-	(1,570)	-	-	(1,570)
Net assets at 31 August 2021	920	18,742	2,643	15	22,320

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21a Movements in Funds (current year)

	At 1 September 2021 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2022 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	-	-	-	15
Non-Permanent Endowment Fund					-
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	-	-	21
Policy & External Affairs Funds	36	23	-	(18)	41
Non-Permanent Endowment Fund		100		(8)	92
Corporate Services					
Child Health Research Fund	124	-	-	(90)	34
Fundraising	18				18
International					
International Projects	231	960	(848)	33	376
El Shamy Bequest	500	150	(33)	-	617
Education & Training					
Other Education & Training Funds	251	85	(117)	-	219
Research & QI					
Research & QI Funds	1,035	1,415	(1,359)	(38)	1,053
RCPCH contribution to Newlife	-			45	45
Digital					
Royalties from PCHR	335	65	(86)	10	324
Other Digital Funds				18	18
CEO					
CYP Participation	62	26	(52)	66	102
Total restricted and endowment funds	2,658	2,824	(2,496)	18	3,005
Unrestricted Funds					
Business Development					
International Training Fund	23	-	(4)	-	19
Overseas Levy	15	123	(90)	(33)	15
Education & Training					
CPD Diaries Fund	12	-	-	-	12
Exam Booking System Fund	26	-	-	-	26
Research & QI					
Diabetes QAQI	727	-	(488)	-	239
R&QI Project Work				55	55
Other					
Committed Expenditure Fund	75	-	-	-	75
General Donations Fund	71	2	-	-	73
Writing Down Reserve	846	-	(321)	328	853
Charitable Trading Subsidiary Fund	-	351	(215)	(136)	-
Building Fund	14,718	-	(236)	-	14,482
Infrastructure Fund	1,122	-	(232)	870	1,760
Strategy Fund	673	-	(9)	300	964
Paediatrics 2040	-	-	-	-	-
Flexible Project Fund				250	250
Holiday Pay Accrual Fund	146	-	-	(38)	109
Investments		44	(18)	45	71
Unrealised Movt on Investments	287		(208)		79
		14,368	(11,657)	(1,659)	
General Funds	921				1,973
Total Unrestricted Funds	19,662	14,888	(13,477)	(18)	21,055
Total Funds	22,320	17,713	(15,973)	-	24,060

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

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

21b Movements in Funds (reinstated prior year)

	At 1 September 2020 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 30 August 2021 £'000
Permanent Endowment Funds					
Permanent Endowment Funds	15	–	–	–	15
Restricted Funds					
Membership, Policy and External Funds					
Paul Polani Fund	45	–	(15)	–	30
Other Awards & Prizes	27	12	–	(18)	21
Policy & External Affairs Funds	32	4	–	–	36
Corporate Services					
Child Health Research Fund	186	–	(18)	(134)	34
Fundraising				18	18
International					
International Projects	83	840	(692)	–	231
El Shamy Bequest	500	–	–	–	500
Education & Training					
Other Education & Training Funds	292	165	(201)	(5)	251
Research & QI					
Research & QI Funds	813	1,351	(1,218)	89	1,035
RCPCH contribution to Newlife				90	90
Digital					
Royalties from PCHR	375	22	(62)		335
CEO					
CYP Participation	74	13	(46)	21	62
Total restricted and endowment funds	2,442	2,407	(2,252)	61	2,658
Unrestricted Funds					
International Funds					
International Training Fund	25	–	(2)	–	23
Overseas Levy	12	154	(151)	–	15
Education & Training					
CPD Diaries Fund	12	–	–	–	12
Exam Booking System Fund	61	–	(35)	–	26
Research & QI					
Diabetes QAQI	432	772	(477)	–	727
Other					
Committed Expenditure Fund	75	–	–	–	75
General Donations Fund	66	5	–	–	71
Writing Down Reserve	801	–	(231)	276	846
Charitable Trading Subsidiary Fund	–	234	(144)	(90)	–
Building Fund	14,954	–	–	(236)	14,718
Infrastructure Fund	631	–	(9)	500	1,122
Strategy Fund	263	–	(33)	443	673
Paediatrics 2040	6	–	(6)	–	–
Holiday Pay Accrual Fund	154	–	(154)	146	146
Unrealised gains and losses on investments	32	255	–	–	287
General Funds	345	12,778	(11,103)	(1,100)	921
Total Unrestricted Funds	17,870	14,198	(12,345)	(61)	19,662

Royal College of Paediatrics and Child Health

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Purposes of endowment and restricted funds

Permanent Endowment Funds comprise the Michael Blacow Memorial Fund and the James Spence Medal Fund. They are in respect of endowments received by the British Paediatric Association transferred to the College at its inception together with a subsequent donation from Mr Peter Blacow to enable the Michael Blacow Memorial Fund to maintain the value of its awards in future. The income generated by these funds is included in Other Awards and Prizes restricted income and is used to further the charitable objectives of the College.

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

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

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

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

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

Education & Training and Research & Policy Funds are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions. **CYP Participation Fund** is a resource available to support the NHS London Specialised Paediatric Commissioning Group.

Unrestricted funds

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

Exam booking System the balance of monies set aside to complete the development of the College's new Exams Booking System – holding duration fully expended in 2020–21.

CPD Diaries Fund – the balance of monies set aside to complete the development of the College's new CPD Diary holding duration fully expended in 2020–21.

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

General Donations Fund – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £73,000 (2021 – £71,000) – holding duration indeterminate.

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

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

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

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

Strategy Fund – funds set aside to facilitate the College's three-year strategic plan including the Future Paediatrician project – holding duration life of the three-year plan i.e. to 2020–21.

Holiday Pay Accrual Reserve – funds set aside to cover for Holiday Pay not taken at 31st August 2020 holding duration fully expended 2021–22.

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

**Royal College of
Paediatrics and Child Health**

Report and financial statements for the year ending 31 August 2022

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