

The Royal Society of Medicine

# ANNUAL REPORT

2019/  
2020



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# President's Report



In his introduction to last year's Annual Report my esteemed predecessor, Professor Sir Simon Wessely, wrote of the challenges experienced by the Society during the previous 12 months, but also of the significant progress that had been made in addressing the causes.

So, with all the signs indicating that the Society was set fair for calmer waters in 2019/20, we entered the academic year in great spirits, blissfully unaware of the pandemic lying offshore.

In October 2019 the Presidents of our 55 Sections duly initiated their specialty education programmes and we welcomed neurologist Dr Guy Leschziner to No. 1 Wimpole Street to deliver the Ellison-Cliffe Lecture, the first of the RSM's annual series of eponymous lectures.

February brought molecular biologist and Nobel Prize winner Sir Gregory Winter to the RSM to give the Jephcott Lecture. However, that proved to be one of the last gatherings at the RSM before COVID-19 arrived and everything changed.

With the lockdown came the closure of our building and the loss of our in-person education programme along with access to the RSM Library. Our restaurant and hotel facilities lay empty and unused, and our external conference business was forced to close, with the loss of substantial revenues.

This was a situation that called for swift and decisive leadership and I can report that our Chief Executive Michele Acton and her Senior Management Team proved more than equal to the task.

Under their expert guidance, our education teams were able to quickly transfer to online delivery platforms, allowing our Sections to continue providing their essential specialty training and education programmes.

The highly acclaimed RSM COVID-19 webinar series was initiated to give senior healthcare leaders the opportunity to share clinical learning with healthcare professionals working on the frontline as the pandemic evolved.

The impact of the COVID-19 Series led to the Society securing funding to run an international conference, designed to bring together influential clinicians from around the world to exchange key clinical lessons about COVID-19. Held in July, the event attracted over 9,500 registered delegates from 106 countries.

Our In Conversation series also moved online, featuring high profile guests including former Director General of MI5, Sir Andrew Parker; Chair of the Health and Social Care Select

Committee, Rt Hon Jeremy Hunt MP; Lord Sumption; and former Shadow Attorney General for England and Wales, Baroness Chakrabarti.

These superb initiatives have all been delivered and supported by our teams of dedicated RSM staff, working mostly from home, who have risen to the challenge in new and often difficult circumstances, and I am extremely proud of what they have achieved.

Very sadly, the extended closure of our building and Club, hotel and commercial events business has meant that we have had to say farewell to many of our hard-working and longstanding members of staff. To all of them we extend our heartfelt thanks for their contribution to the RSM over the years.

The pandemic, although devastating, has provided us with an opportunity to re-evaluate the role of the Society in the provision of medical education and re-examine the way in which we do things.

Working in close collaboration with the Society's Trustees, Michele Acton and her team are considering what will be required to fulfil our mission of providing the highest quality medical education and promoting innovation in the post-COVID era.

This ongoing work includes a careful analysis of our property requirements at No. 1 Wimpole Street, following the sale of Chandos House, and an evaluation of the way that education is delivered and innovation promoted.

Our strategy for the future includes further development of digital communication to encompass not only medical matters, but also broader issues including inequality and climate change.

We will need the ongoing support of our members through engagement, philanthropy and legacies. I am absolutely convinced that the future for our institution is bright and we look forward to working closely with all those who have an interest in the Society's future as we continue to move things ahead.

Finally, I would like to extend my thanks on behalf of the Society to Dr Fiona Moss, for her hard work and support during her term as RSM Dean, which concluded at the end of the year, and also to Reverend Hilary De Lyon, Dr Natasha Robinson and Professor Gillian Leng who completed their terms of office as Trustees during the year.

**Professor Roger Kirby**  
President

# Chief Executive's Report



This report covers a year in which the first six months saw the Society operate as it has in previous recent years. Education programmes were held in-person, the Library was open to visitors and RSM Commercial Services Limited provided a range of Club facilities to members at No. 1 Wimpole Street and at Chandos House, and also operated the Society's hospitality and venue business. In contrast, during the second six months of the year all education programmes were delivered online, No. 1 Wimpole Street was largely closed and the Society completed the sale of Chandos House.

I would like to acknowledge the hard work of our staff and the commitment of our President, our Council and Council Committee members in helping us navigate the challenges of COVID-19. I would also like to thank our Section Councils, our members and philanthropic donors for their continued support.

Despite the challenges, the Society's response to the COVID-19 crisis was quick and robust. While the number of in-person education programmes fell to 160 in the year (2019: 325) we were able to move swiftly to deliver 187 online programmes.

The first to launch at the beginning of April 2020 was our COVID-19 Series of webinars which ran over 40 episodes during the remainder of the year. This was swiftly followed by the start of online Section programmes to ensure that specialty training and education could continue through the pandemic.

The move to online learning has seen the Society significantly widen its reach across the UK and also internationally, with registered delegates increasing to 129,000 in the year compared to 36,500 in the previous year and an increase in views on the Society's YouTube channel from 25,000 to 470,000.

With the Library largely closed during the second half of the year, the focus was on delivering an enhanced digital offering, with the introduction of search tools that helped to improve access to the Library's resources and the move of all information skills training and support online.

We finished the year with over 19,300 members, a slight decline over the year. We are very grateful for the continued support of RSM members and, despite the challenges presented by the pandemic, we were pleased to welcome over 2,500 new members during the year.

As the financial statements presented in this Annual Report show, the pandemic has had a significant impact on the Society's financial position. While the Society showed an overall surplus for the year, excluding exceptional items such as the proceeds from the sale of Chandos House, we have reported an operating loss of £4.4m.

Membership income has fallen by 7% to £4.4m and the income from our academic programme fell by 48% to £1.0m. Philanthropic income rose by 29% to £952k and we received £644k under the government's furlough scheme. Income from RSM Commercial Services Limited (excluding furlough income) fell 52% to £3.6m and it reported a trading loss for the first time as a result. Arrangements were put in place during the year for the Society to provide support to the commercial business.

During the second half of the year a programme of cost-cutting measures was implemented across the organisation. The impact of these will start to come through in the current financial year. As part of these, we were very sorry to have to say goodbye to a significant number of staff members, mainly from our commercial business.

We ended the year with general reserves of £8.6m. We anticipate these being reduced significantly in the current financial year as the pandemic continues to impact our ability to generate income. The Society will continue to focus on controlling costs and delivering new sources of income, including from philanthropy. What is clear is that significant strategic changes will be required to ensure the ongoing financial position of the Society.

I mentioned in my report last year that work was underway to develop a new overarching strategy for the Society and that we expected to launch this in 2020. This work and the launch have been delayed by the necessity of delivering a swift and tactical response to COVID-19.

We are now re-evaluating our strategy development in the light of the expected longer-term impacts of COVID-19 on our education programme, our property requirements, our membership offering, expected new ways of working and our financial position. Further details will be forthcoming.

Despite the challenges faced by the Society, significant progress has been achieved during the year. We have made great strides in developing our digital education programmes to make them more accessible to healthcare professionals all over the world. Importantly, we have taken action to identify and address inequalities in our organisation in response to the death of George Floyd and the Black Lives Matter movement.

We are very grateful to everyone involved with the RSM for their tremendous response to the pandemic. It is only with this support that we can continue to ensure that we provide such excellent medical learning to those working in health services in the UK and around the world.

**Michele Acton**  
Chief Executive

# Education

## Introduction

The Education department underpins the Society's position as a leading provider of continual learning for healthcare professionals by ensuring that educational output is expert, relevant and of exceptional clinical quality.

A significant part of this educational output is delivered by the RSM members who volunteer to lead the RSM's 55 specialty Sections. Collectively the Sections bring immense breadth of experience and authoritative insight to the Society's educational activities.

While the closure of the RSM's building at the end of March 2020 created a brief hiatus in the delivery of the Society's education programme, the rapid switch to online delivery enabled a swift resumption of programmes.

**“The RSM is coming into its own in this crisis. The series of COVID webinars is outstanding. They could only be improved by making them longer and more frequent! Medical education at its topical best.”**

**COVID-19 Series** Launched April 2020

## Highlights

In November 2019 the Oncology Section hosted an event focusing on cancer control in low and middle income countries. The objective was to enable delegates to exchange ideas and new solutions to evolving challenges and the event was part of a series of meetings held in venues across London that formed the inaugural London Global Cancer Week. 160 delegates registered for the event.

In early April 2020 the new RSM Live online platform was created and the COVID-19 Series of webinars was launched to

**347**  
events hosted



**160**  
in-person



**187**  
online

  
**470k**  
views of event recordings



**70**  
prizes

**130k**  
delegates



**26**   
meetings with  
external partners

provide essential medical education for health workers caring for patients on the front line. The series created an immediate impact in the healthcare community and in the media, through insightful and probing conversations about the challenges COVID-19 was presenting to healthcare workers, leaders and the public. The series continued throughout 2019/20, with over 72,800 delegates registering for the webinars.

In June 2020 a webinar was hosted focusing on the healthcare inequalities experienced by LGBTQ+ people. 500 delegates registered for the webinar. This was the second annual event exploring the work being done in the UK to improve healthcare for LGBTQ+ individuals, and themes included the impact of COVID-19 on LGBTQ+ communities around the world, and the ways that mental health support could be improved.

A new series of webinars for trainees working in frontline medicine was launched in collaboration with the Health Education Kent Surrey Sussex (HEKSS) Deanery. Over 1,600 delegates registered for the first two episodes of the series which ran in June and July 2020, providing case-based scenarios covering the initial assessment and management of the most common acute medical presentations, with expert speakers highlighting any tips and red flags to look out for.

In July 2020 the Palliative Care Section ran a joint webinar with the Association of Palliative Medicine to reflect on the challenges of communication during the COVID-19 pandemic. Exploring how this experience will shape future lessons on communication, expert speakers and facilitators provided

**“Every talk focused on the clinical reality of presentations rather than textbook theory, which was really helpful. It had a good variety of topics. Also being recorded meant that it could be played back or paused to ensure we got all the information.”**

**Managing acute medical presentations on the frontline:  
A guide for trainees Summer 2020**

guidance relevant to all primary and secondary healthcare professionals. 370 delegates registered for the event.

Generous funding from the Kantor Charitable Foundation enabled the RSM to run an international COVID-19 conference designed to share key clinical lessons from senior clinicians from around the world. The conference was held in late July 2020, with 9,500 delegates registering for the event from 106 countries.

#### **Performance**

A combination of 347 in-person and online events were held in the year, compared with 325 in-person events in 2018/19.

The switch in provision to online education mid-way through 2019/20 resulted in a significant increase in the number of delegates registering for RSM education programmes. There were almost 130,000 delegate registrations in the year, compared with 36,500 delegate registrations in the previous year, when all events were in-person.

With a substantial increase in the number of events also available as free to view recordings, the number of views on the RSM's YouTube video channel rose from 25,000 in 2018/19 to 470,000 in 2019/20.

Feedback from delegates is sought after all education events to identify satisfaction with the content and areas for improvement. Typically, feedback indicates that more than 95% of delegates would recommend the event to a friend or colleague.

Due to the constraints imposed by the pandemic, there was a reduction in the number of meetings held with external partners in the year from 47 to 26. The Society's prestigious prize programme for medical students and trainees continued. However, it was disrupted by the pandemic and the number of prizes awarded in the year reduced from 133 to 70.

#### **Future plans**

The 2019/20 academic year provided many challenges for the RSM's education activity, but also opportunities to explore different ways of delivering events. The uptake and feedback from the online education offer has been extremely positive, attracting audiences well beyond the RSM's usual geographic reach.

In 2020/21 the RSM will build on the knowledge gained from delivering the online Section programme, the COVID-19 Series of webinars and the international conference to grow its online education knowledge and audience reach, across the UK and beyond.

The aim will be to deliver first-class medical education to suit the convenience of busy healthcare professionals. This will include a focus on developing multi-specialty and cross-cutting healthcare themes in collaboration with Section Councils.

Once the Society can return to offering in-person programmes, these will be complemented with a digital programme of events, anticipated to include stand-alone webinars or webinar series and hybrid events, with some delegates attending meetings in the RSM building, with others joining virtually.

**“Its international perspective clearly showed the high degree of collaboration that exists between clinicians and researchers across the world, transcending international differences that exist at a political level.”**

**COVID-19 Conference: Sharing the international lessons learned July 2020**



# Library

## Introduction

The Library supports the Society's aim of being a leading provider of learning to healthcare professionals. It does this by delivering relevant, up-to-date and exceptional library resources digitally and in-person at No. 1 Wimpole Street.

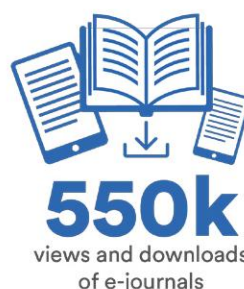
The enforced closure of the Library from April to September and the rapid move to online learning gave added impetus to the development of the Library's digital services. New search tools were introduced to help improve access to the resources and all information skills training and support were moved online.

## Highlights

Work to improve the technical infrastructure behind the Library's digital service began in the Autumn of 2019, including negotiations with suppliers to improve the effectiveness of the search system.

After trials, two new search tools, BrowZine and LibKey Nomad, were introduced early in 2020. Together, they help Library users stay up to date with the huge volume of research published by medical journals and provide one-click access to the content held in the Library's digital collections.

The end of the academic year saw the launch of the Library Search Hub which brings together expert search functionality with a single search that retrieves results from databases and thousands of e-journals and e-books in an integrated and streamlined service.



Information skills training in literature searching and use of MEDLINE moved online in May, with support delivered through Zoom tutorials. This enabled frequency to increase, although the range of webinars has been significantly reduced to meet revised staffing levels.

With the support of a major donation from the Kantor Charitable Foundation, a work of arts inventory was carried out in spring 2020, part of a project to record the RSM's extensive collection of sculptures, portraits and other works of art that have built up since the Society's foundation in 1805. The Kantor donation also supported the Library's conservation work, including the professional re-binding of a number of antique volumes. With the expertise of volunteers from the Arts Society, work continued in conserving the RSM's rare book collections.

Library exhibitions were also supported by the Kantor Charitable Foundation during the year and included So Joyous and Gentle a Life in November to mark the centenary of the death of Sir William Osler and The Rise of the Specialty exhibition which opened in February to mark one hundred years of the RSM's Section of Urology. Curtailed by the Library's closure, publication of the online version of the exhibition was brought forward to April. In September the online exhibition Around the World: Medical Journeys Through the Ages, explored the Library's collection of logbooks and journals dating back to the 1700s.

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**“The LibKey is a huge step forward – amazing linking PubMed to the online journal library. I have the full text in seconds. This is truly amazing and ground-breaking. Well done and thank you.”**

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**“This is a really helpful update and feature, thanks RSM Library! I’m mega impressed that I can read Annals of Emergency Medicine direct from BrowZine on my phone, rather than via a more cumbersome log in process. Really useful.”**

#### Performance

The use of the Library’s e-journals increased by 30% during the early months of the pandemic but fell back by the same amount in the third quarter, closing the year with an overall 6% reduction in views and downloads to 550,000 from 590,000 in the previous year. Database searches also reduced from 254,000 to 210,000.

There were 14,456 in-person visits by RSM members to the Library before the pandemic forced the building to close, compared with 36,000 in 2018/19.

The number of information skills tutorials dropped from 66 to 39 during the year.

#### Future plans

Across the education sector the move to remote learning has brought into focus the need for robust access to rich electronic resources to support learning and research. The Library’s continued priority for 2021 is to deliver a digital library to researchers in the UK and overseas.

In 2020/21 OpenAthens, a system widely used in higher education and the NHS to authenticate and simplify access to electronic resources, will be introduced at the RSM. This will modernise the Library’s hitherto complex and ageing technical infrastructure and deliver a modern digital library. With OpenAthens will come a better understanding of how the Library’s information resources are used by RSM members which will lead to improvements in the way services are provided.

Online information skills training and support is set to increase in the spring of 2021. Database guidance and support will become more visible on the Library webpages and bookings for skills training will become electronic, integrated into the RSM event portfolio. The Library has also partnered with Karger to introduce a new suite of online courses covering all aspects of academic research and writing for publication, complemented by a series of live webinars on publishing in medicine and finding a research collaborator.

Reading lists will continue to be provided for selected Section events throughout the year, helping to encourage use of the Library’s subscribed resources by embedding them in learning events.

In 2020/21 the heritage collections strategy and action plan will continue to be rolled out to ensure the preservation of the Society’s heritage collections. This will include working towards the adoption of museum standards and archive accreditation.



# Membership

## Introduction

Membership of the RSM provides healthcare professionals with enhanced opportunities for postgraduate education and networking with senior clinicians and healthcare leaders. It offers healthcare professionals across all areas of medicine the opportunity to thrive in an environment that stimulates new ideas and nurtures innovation.

Collectively, the Society's membership represents the crucial engagement vehicle through which the RSM delivers its mission to advance health through education and innovation.

The aim has been to grow membership by establishing an identity for RSM membership that reinforces healthcare professionals' connections to a broader world of expertise and insights, so providing unique value to their careers within an unparalleled community network.

The onset of the pandemic created difficult conditions in which to deliver the Society's membership objectives and during the year there was an overall drop in membership numbers.

## Highlights

With the RSM building closed at the beginning of the pandemic, members were unable to visit the RSM for in-person meetings and to use the Library and Club facilities. Subsequently there was a dip in membership numbers in May.

When education programmes began to be delivered online, membership numbers started to recover in August, with a slight increase in overseas members reflecting the availability of relevant and accessible content online.

Given the loss of business in other areas of the RSM's activities, the Society is extremely thankful for the continuing support of its members, with membership subscriptions representing a substantially bigger proportion of income during the year.

Significant investment was made to improve website content and functionality and communications programmes were adapted to support members with advice and guidance on accessing digital content.

The Society communicated with new audiences and potential members across a wider geographical reach through increased social media engagement. There was more traffic to the RSM website and, subsequently, increased involvement with the Society's education programmes and resources.

New membership acquisition activities included developing relationships with a number of partner organisations to



promote RSM membership, re-contacting past members, and contacting registrants from RSM webinars. This led to an encouraging growth in membership numbers towards the end of the academic year.

## Performance

Membership numbers dropped to 19,300 at the end of the year, compared with 20,500 in the previous year. There were two periods during which membership renewals fell. The first was during the main renewal period (October to December 2019) when a number of student groups did not renew and higher numbers of Retired Fellows and Joint Associate members left the Society. There was then a further drop in renewals in the period immediately after the start of the pandemic.

The Society acquired 2,500 new members in 2019/20, but membership growth was impacted by the loss of in-person events which offer the opportunity to recruit non-member delegates.

The overall membership retention rate for 2019/20 year was 81%, compared with 79% in the previous year.

## Future plans

Improving the experience for RSM members when using the Society's services will be the priority for the coming year. The aim is to support members with tailored access to medical education and resources whether online, in-person or in combination, according to their future preferences.

Further investment will be made in the Society's digital platforms to provide members with easier access to online learning.

A programme of work is underway to build on the improvements to membership benefits, including introducing easier networking opportunities for members.

# Philanthropy

## Introduction

Philanthropic giving contributes significantly to the Society's mission. We are very grateful to those individuals, trusts and foundations who have supported the charitable activities of the Society.

Relationships with significant new donors are being built and work continues with longstanding friends of the RSM who have made significant contributions to the work of the Society over a number of years.

## Highlights

New opportunities for philanthropic giving were developed during the year. These included the development of major education programmes addressing key health challenges, including the international COVID-19 conference.

Conservation work on the Library's heritage collections was also carried out with the support of a significant donation, which also enabled the curation and presentation of Library exhibitions during the year.

A direct appeal to members and supporters for donations was undertaken.

Several series of webinars, including the RSM's COVID-19 and In Conversation Live series, were made available free of charge. Instead, a voluntary donation was suggested to delegates.

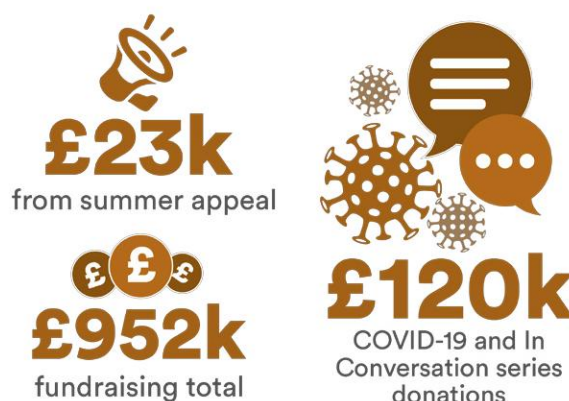
After the year end, a further substantial donation provided the opportunity to develop an online public engagement event, hosted by TV presenter Kate Garraway, which offered advice for families from high profile health experts on how to keep safe and well during the festive holiday season. This programme attracted an audience of over 50,000.

## Performance

With a severe reduction in the Society's overall income as a result of the pandemic, the importance of donations increased significantly. During the year we were very grateful to receive donations and legacies of £952k, an increase from £736k in the previous year.

The summer appeal to members and supporters for donations raised over £23k.

Voluntary contributions from participants at In Conversation Live and COVID-19 Series webinars generated £120k.



## Future plans

A significant donation has been received to develop a programme of education to be launched in 2021 that will examine the impacts of climate change on health.

The Society will continue to explore new ways of encouraging philanthropic giving to support the development of education and innovation programmes for health professionals that support emerging health issues.

A legacy gift programme is to be developed and integrated into the RSM's communication strategies for members and others wishing to support the future work of the Society.

## A message of thanks to our donors

Since the beginning of the pandemic, the Royal Society of Medicine has received charitable donations from over 2,500 individuals and organisations.

All gifts to the Society, both large and small, are very welcome and will help the Royal Society of Medicine support healthcare professionals with medical education that will lead to better patient outcomes.

The Trustees would like to thank every donor for their generosity.

## Major donors

Dangoor Education  
The Alan and Sheila Diamond Charitable Trust  
The Exilarch's Foundation  
The Hadley Trust  
The Joron Trust  
Dr Moshe Kantor and the Kantor Charitable Foundation  
The London Clinic  
Christopher and Sarah Smith  
The Thompson Family Charitable Trust  
Johanna White

# Commercial Services

## Introduction

Royal Society of Medicine Commercial Services Limited, a wholly-owned subsidiary of the RSM, operates conference and events services for the Society's education programmes and for external clients. It also provides hospitality for RSM members at the Club and hotel at No. 1 Wimpole Street.

Historically, the company has played an important role in raising funds for the Society but this year income was severely impacted as a result of the pandemic.

## Highlights

In February 2020 the company signed up to the #20PercentLess plastic pledge campaign run by the Meetings Industry Association (MIA) and is on track to fulfil the commitment.

When the pandemic required RSM education to transfer to online formats, the AV department moved swiftly to provide the RSM's education teams with technical support for webinar delivery.

In August, compliance work was undertaken to provide COVID-secure hospitality services for members in the Club and hotel following the lifting of government restrictions which allowed the building to re-open briefly. This extensive work resulted in three industry accreditations from Visit Britain, Hire Space and the MIA.

## Performance

The year started well with no noticeable reduction in business for No. 1 Wimpole Street and Chandos House. In the first six months of the year 150 external conferences took place with an average of 121 delegates. This compared with 269 events taking place across the whole of the previous year.

There were 7,150 bookings made on the hotel system for No. 1 Wimpole Street and Chandos House, compared with 17,000 bookings the year before.

In the second half of the year the majority of staff were placed on furlough leave.



The RSM completed on the sale of Chandos House in June. This did not significantly impact on business as the premises was closed in the spring due to Covid-19 restrictions.

With government support to employers reducing at the end of July, the decision was made to reduce staff costs and a significant headcount reduction programme took place in early August.

While the building re-opened briefly in August 2020, the use of Club facilities was minimal. Restrictions allowing the venue to host a maximum of 30 people for external meetings resulted in very little activity.

When government restrictions changed again towards the end of September it was evident that further headcount reductions would be necessary.

For the first time in its history the company posted a loss on trading from £31k profit (before taxation) in the previous year to a loss of £669k in 2019/20. This had a dramatic negative impact on the Society's financial position.

## Future plans

RSM Commercial Services Limited is ready to re-start operations at No. 1 Wimpole Street once government restrictions relating to the pandemic are lifted and the building can re-open.



# Patron

Her Majesty Queen Elizabeth II

# RSM Council

(from 1 October 2019 to 30 March 2021)

## PRESIDENTS

Professor Roger Kirby

MD, FRCS

(from 28 July 2020, prior to that Trustee and President-Elect)

Professor Sir Simon Wessely

MD, FRCP, FRCPsych, FMedSci

(to 28 July 2020)

## VICE-PRESIDENTS

Dr Suzy Walton

PhD CPsychol CDir

Dr Claire Bayntun

MBSS, MPH, FFPH

(from 1 October 2020, prior to that Trustee)

Reverend Hilary De Lyon

MBSS, MPH, FFPH

(to 30 September 2020, Co-opted Trustee)

## HONORARY TREASURER

Professor Linda Luxon

CBE, FRCP

## HONORARY SECRETARY

Dr Natasha Robinson

MA, FRCA, FRCP

(to 30 September 2020)

## HONORARY LIBRARIAN

Professor Gillian Leng

CBE, MD

(to 31 March 2020)

## CHAIRMAN OF THE ACADEMIC BOARD

Professor Nik Patel

FRCP

(from 1 October 2019)

## Other Trustees

Professor Philip Bloom

MB, ChB, FRCS(Ed), FRCOphth

Dr Sarah Filson

BSc (Hons) MBBS MRCP DTM&H

Dr Elizabeth Haxby

MBBS, MA, MSc, FRCA

Dr Melita Irving

BSc MRCPCH

(from 1 October 2019)

Dr Stephanie Kaye-Barrett

MBChB, MD, FRCP

Dr Hélène Menagé

BSc MRCP

(from 1 October 2019)

Mr Richard Murley

(Co-opted Trustee)

## Senior Management Team

(from 1 October 2019 to 30 March 2021)

### CHIEF EXECUTIVE

Ms Michele Acton

### DEAN

Dr Fiona Moss

CBE, MD, FRCP

(to 30 September 2020)

### Professor Humphrey Scott

MB BS, FRCS Ed, MS, FRCS Eng, MAclinEd, FAcadMed, FFSTEd

(from 23 October 2020)

### DIRECTOR OF OPERATIONS

Mr Nigel Collett

### DIRECTOR OF LEARNING

Ms Bridget Gildea

(to 2 April 2020)

### DIRECTOR OF ENGAGEMENT AND ACTING

### DIRECTOR OF LEARNING

Mr Neville Carter

(Acting Director of Learning from 3 April 2020)

### DIRECTOR OF FINANCE & IT

Mr Richard Whitley

## Professional Advisors

### BANKERS

Bank of Scotland plc

Lloyds Bank plc

39 Threadneedle Street

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### SOLICITORS

Stone King LLP

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Payne Hicks Beach

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London WC2A 3QG

### AUDITORS

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55 Baker Street

London W1U 7EU

### INVESTMENT MANAGERS

Cazenove Capital Management

12 Moorgate

London EC2R 6DA

# GOVERNANCE

## Charter and Structure

The RSM is registered as a charity in England and Wales (charity number 206219) and is a company established by Royal Charter (RC000525). The affairs of the charity are governed by its Charter, By-Laws and Regulations.

The Royal Society of Medicine was established in 1805, originally as the Medical and Chirurgical Society of London. Its founding principle was to be a society that 'unites physicians and surgeons under one organisation to benefit from shared knowledge.' It was subsequently granted a Royal Charter by King William IV in 1834. A Supplementary Charter was granted by King Edward VII in 1907 which included the power to create Sections for the cultivation and promotion of any branch of medicine or any science connected with, or allied to, medicine. The merger of various organisations resulted in the new charity being renamed the Royal Society of Medicine. Since then, there have been various other revisions to the Charter and By-Laws, including substantial changes in 1997 and 2009.

In 2017/18 the RSM undertook a review of its Charter and By-Laws. Proposed changes to these were approved at an Extraordinary Meeting of Fellows in January 2019 and submitted to the Privy Council for approval. As a result, a new Supplementary Charter came into effect on 1 October 2020. This states that the Society exists for 'the advancement of health, for the public benefit, through the provision of professional education and good practice for those working in the healthcare professions, and the promotion of public awareness and the understanding of matters relating to medicine and healthcare.'

In 2019, Trustees also completed a full review of its governance arrangements using the Charity Governance Code, to ensure that it achieves best practice in a manner which is proportionate and appropriate for a charity of its size, complexity and operations. A series of recommendations were made including the need to review structures, policies and procedures. These recommendations have now largely been implemented and have resulted in changes to the Society's Regulations in October 2020 and in February 2021.

The RSM's conferencing and hospitality business is undertaken by its trading company, Royal Society of Medicine Commercial Services Limited (02820374). All profits from the company are donated to the Society under the Gift Aid scheme. In 2020, the RSM took steps to clarify and formalise arrangements between the charity and the trading company. As a consequence, formal agreements are now in place covering, inter alia:

- The working capital facilities provided by the RSM to its trading subsidiary.
- How resources are shared between the two parties.
- How the trading subsidiary may use the charity's trademarks and other intellectual property.
- How the trading subsidiary reports its performance to the RSM using an agreed suite of key performance indicators.

As a consequence of the impact of the COVID-19 pandemic on the Royal Society of Medicine Commercial Services, a formal loan agreement has been put in place, with £1,500k being made available by the charity to the trading subsidiary, repayable over a five-year period, together with an overdraft facility for up to £1,000k.

The RSM also has a dormant trading company, Royal Society of Medicine International Limited (08781651).

## Council and Committees

Council is responsible for setting the overall strategic direction of the RSM. Members of Council comprise the Trustees detailed on page 12. As a result of the introduction of the Supplementary Charter, the number of Trustees reduced from a limit of 18 (12 elected and 6 co-opted) to 13 (10 elected and 3 appointed). At 1 October 2020 there were 10 elected Trustees and 2 appointed Trustees. A Skills Audit of Trustees was undertaken in September 2020 and skills and knowledge gaps were identified. Recruitment of a further appointed Trustee with digital experience commenced in January 2021. Trustees serve a four-year term of office, which has reduced to three years for all new Trustees from 1 October 2020. Trustees may serve a maximum of two consecutive terms, if re-elected or re-appointed. This can only be extended in exceptional circumstances by a Special Resolution of Council. All new Trustees undertake a formal induction to the RSM, which includes meeting with the CEO and Directors and an explanation of the role of Trustees, the governing documents, the RSM's Code of Conduct, strategies and budgets.

Council is chaired by the President, who has a three-year term. As a result of the Supplementary Charter subsequent Presidents will be elected by the membership of the RSM as a whole.

With the introduction of the Supplementary Charter the posts of Honorary Secretary and Honorary Librarian were abolished. There are now five Officers of the Society, being the President, two Vice-Presidents, an Honorary Treasurer and the Chairman of the Academic Board. The Vice-Presidents and Honorary Treasurer are appointed by the Trustees from amongst themselves. The Chairman of the Academic Board is elected by the members of that Board.

## GOVERNANCE (continued)

During the 2019/20 year, there were three Standing Committees. The purpose of these Committees was as follows:

- **Audit Committee:** responsible for leading on all audit and risk management matters across the RSM. The Committee reports to Council and its membership includes the Honorary Treasurer, three further Trustees and up to two co-optees. The Committee is chaired by a co-opted member, Stephen Gilbert FCIS. It met four times in 2019/20.
- **Education Committee:** responsible for reviewing the education programme to ensure that it is in line with the education strategy; encourages joint initiatives and integrated working across the RSM; and supports high-quality delivery across all programmes. The Committee reports to Council and its membership comprises Trustees, Section representatives and Directors. The Committee is chaired by a Trustee and met four times in 2019/20.
- **Academic Board:** responsible for the academic functions of the RSM, with a remit to provide academic initiatives, to consider education strategy, as well as potential improvements to the organisation of sectional meeting programmes. It reports to the Education Committee. Its membership mainly comprises elected representatives from Sections. The Academic Board is chaired by a Trustee, elected by the Board's voting membership. It met five times in 2019/20.

The RSM's By-Laws allow Council to form such other committees as it thinks fit and to delegate powers to these committees. During 2019/20 the following Committees met:

- **Investment Committee:** responsible for setting investment strategy, the appointment of investment managers and monitoring of investment performance. Its membership comprised three Trustees, up to two appointed members, as well as the Chief Executive and Director of Finance and IT. It is chaired by the Honorary Treasurer and met eight times in 2019/20.
- **Member Services Committee:** responsible for reviewing any member-related issues, agrees subscription rates and benefits packages, as well as applications for membership from individuals. The Committee was chaired by the Honorary Secretary in 2019/20 and its membership comprises Council members, Associate and Student member representatives. It met five times in 2019/20.
- **Remuneration Committee:** responsible for making recommendations to Council on matters relating to staff pay, including any annual cost of living award for all employees and the salary levels of the Senior Management Team. It reports to Council, meets annually and is chaired by the President. It met once in 2019/20.
- **Safety Committee:** responsible for health and safety in the workplace. It met five times in 2019/20.

From 1 October 2020 and the implementation of the Supplementary Charter the RSM now has the following Standing Committees:

- Audit, Risk and Governance
- Education
- Remuneration
- Investment

As part of our ongoing governance, a review of the structure of Council Committees and terms of reference took place at the end of 2020. In February 2021 Council approved a new Committee structure and committee terms of reference and appropriate amendments were made to the Society's Regulations.

## Senior Management Team (SMT)

The Chief Executive is responsible for the day-to-day management of the RSM. The Chief Executive leads the SMT, comprising the Directors and the Dean. Each Director has their own specific responsibilities, delegated by the Chief Executive.

## Public Benefit

Trustees have considered the Charity Commission's guidance on public benefit when reviewing the RSM's aims and objectives and in planning future activities.

The public benefit of the RSM is delivered through its aim (the advancement of health and saving lives); mission (to advance health, through education and innovation) and objectives (providing a broad range of educational activities and opportunities; promoting the exchange of knowledge, information and ideas on the science, practice and organisation of medicine).

## GOVERNANCE (continued)

This is delivered through the provision of education and learning resources to medical and healthcare professionals – both members and non-members of the RSM – in order that they may deliver improved care for the benefit of patients. The RSM also provides education directly to patients, their doctors and carers.

Members' annual subscriptions form a significant part of the RSM's income and are used to fund the activities for public benefit. Whilst members themselves receive some benefit, without its members the RSM could not continue to pursue its objectives, as they are responsible for the delivery of most of the education programmes. The financial barriers to membership of the RSM are relatively small, with students and trainees benefiting from discounted membership rates.

### Principal risks and uncertainties

Trustees are responsible for the management of the risks faced by the RSM. A risk register identifies key risks and mitigations in place to manage them. It is compiled by the SMT, reviewed by the Audit, Risk and Governance Committee on a quarterly basis and presented to and considered by Council. This framework is supplemented by additional risk registers at a departmental level for Health and Safety as well as for key projects.

Trustees have determined that the most significant risks that the RSM faces and the necessary mitigations to manage these issues are as follows:

Key risks	Mitigations
<b>Financial:</b> the RSM fails to eradicate its underlying budget deficit and manage further financial risks, principally the ongoing impact of the COVID-19 pandemic. As a result, operations in their current form are no longer viable and there is a risk to being a going concern.	Over the last 12 months the RSM has received the proceeds from the sale of Chandos House, undertaken a broad range of cost-cutting measures, accessed government support during the pandemic and started to develop new income streams. The RSM is developing its overall strategy in the light of the pandemic.
<b>Governance:</b> the RSM fails to establish an integrated model of working across all Sections to deliver education programmes and as such risks poor governance and financial controls.	Section Finance Rules and Section Governance Rules are in place and currently under review. Regular Academic Board meetings are held with Section Presidents. Consultations and meetings are held with Section Council members.
<b>Strategic:</b> lack of a clear and deliverable organisational strategy leads to the RSM failing to establish a core charitable purpose and a financially sustainable business model.	Work is underway to develop a new overarching strategy for the RSM. This has been delayed as a result of the pandemic and the need to consider the expected longer-term impacts of COVID-19 on the education programme, property requirements, membership offering, expected new ways of working and the financial position.
<b>Compliance:</b> a health and safety failure causes harm to an employee, member or visitor.	A new Health and Safety Policy was approved by Council in November 2020. An implementation plan is in place to deliver the policy. The Safety Committee meets regularly and comprises members of staff from across the organisation. A Health and Safety Risk Register is maintained. The Society has responded to the pandemic by ensuring that appropriate measures have been taken to comply with COVID-19 requirements.
<b>Operational:</b> significant workloads and the need to adapt to remote working and changed service offerings impacts the wellbeing of employees and leads to unplanned absences, claims against the RSM and the inability to deliver services to the high standards required.	Swift identification of issues is through meetings with managers and feedback from staff surveys. Support is provided for employees working remotely through communication strategies and provision of IT and other equipment. Initiatives are in place to support physical and mental wellbeing including an Employee Assistance Programme with a confidential helpline. HR policies provide the framework for managing absences, illness and employee relations.

## GOVERNANCE (continued)

### Fundraising statement

The RSM is registered with the Fundraising Regulator and complies with its code of practice. The RSM does not currently employ commercial participators, professional fundraisers, or third parties. There were no complaints made concerning fundraising activities in the financial year.

### Remuneration policy

Remuneration across the RSM was benchmarked in 2020 against other similar organisations and Directors' remuneration set at the modal average level. Details of remuneration of the Senior Management Team for the year ended 30 September 2020 are set out in note 9 of the financial statements.

The RSM will develop a remuneration strategy for its workforce in 2021, to cover issues such as staff recruitment and retention and fair pay, within the context of the RSM's medium-term financial strategy and the ongoing adverse financial impact of COVID-19.

### Trustees' responsibility statement

Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

In preparing these financial statements, the Trustees are required to:

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

Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports Regulations) 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# FINANCIAL REVIEW

The financial statements for the Society and its subsidiaries for 2019/20 are set out on pages 22 to 38 of this report.

## Summary of performance for 2019/20

The RSM's financial position in 2019/20 reflects the highly significant impact of the COVID-19 pandemic on both charitable and commercial operations at Wimpole Street; in-person education events and commercial events ceased in March 2020, whilst the hotel, restaurant and bar were closed during the national lockdown in the spring and early summer and operated at much-reduced levels of activity when open. The RSM acted swiftly to reduce costs to minimise losses and also utilised the UK Government Coronavirus Job Retention Scheme (furlough) to protect jobs where possible.

The RSM sold its leasehold interest in Chandos House in June 2020. The sale reflects the decision by Council that operations were non-core and that proceeds should be utilised to support and invest in the RSM's charitable activities. Income and expenditure relating to operations at Chandos House in 2019/20 are shown in the accounts as discontinued operations.

### Income

Income from charitable activities (education programme events, information resources and membership subscriptions) was down 19% at £5,646k (2019: £6,929k).

Income from trading activities in 2020 fell 52% to £3,523k (2019: £7,360). This primarily reflected the impact of COVID-19 on the RSM's business. The sale of Chandos House also reduced income from conferencing and accommodation bookings.

Income from donations and legacies grew 29% to £952k (2019: £736k). The RSM is grateful for the generosity of all its supporters.

During the year, £644k of grant funding under the Government's Coronavirus Job Retention Scheme and a one-off profit from the sale of Chandos House of £6,358k (representing the sales proceeds after costs less the stated book value) were received.

Investment income amounted to £212k (2019: £310k).

As a consequence, reported total income for the year rose by 13% to £17,370k (2019: £15,390k).

### Expenditure

Total expenditure in 2020 was 7% lower at £10,263k (2019: £16,645k), reflecting cost savings made where possible in response to lower business activity levels and the closure of Chandos House.

Despite a fall in total expenditure, the costs of charitable activities rose to £10,263k (2019: £8,968k), of which £8,296k (2019: £7,928k) was spent on the education programme and

information resources. This increase in expenditure arose as a result of:

- Trustees taking the decision to continue to fund budgeted core charitable activity from the onset of the pandemic in March 2020, including the delivery of education events via webinars; and
- Support costs (including premises costs) that would normally be charged to RSM Commercial Services Limited were classed as charitable activity given the closure of most of the conferencing and hospitality business from March 2020. Total costs of £4,835k (2019: £7,327k) were attributable to RSM Commercial Services Limited, relating to direct costs and support provided by the RSM.

Expenditure incorporates a £360k reduction in the value of the RSM's website and CRM system, following an impairment review. Although further progress has been made in developing these systems to meet the charity's needs, the impairment reflects a downgrading of expectations versus the project's business case. Both the website and CRM remain the RSM's platforms for delivery going forward.

£170k (2019: £224k) was spent on fundraising and fundraising support costs to raise donation income of £952k.

Termination payments totalled £150k (2019: £107k), primarily due to redundancies within RSM Commercial Services Limited as a result of reduced business following the pandemic.

### Net income

Overall the RSM reported net income for the year of £1,005k (2019: loss of £1,734k). Adding back losses on investments of £943k and the one-off surplus of £6,358k on the sale of Chandos House the RSM reported an adjusted ("operating") loss of £4,410k for the year.

### Movement on funds

Total funds carried forward at 30 September 2020 for the group were £37,343k (2019: £36,338k). This reflects the gain stated on the SOFA of £1,005k, but also movements on permanent endowment and restricted fund values due to investment performance.

### Unrestricted funds

General free reserves at 30 September 2020 were £8,630k (2019: £2,806k). The increase primarily reflects the proceeds of the sale of Chandos House; this was part of the tangible fixed asset fund in 2019 but was converted to cash with the sale.

The financial strategy of the RSM is to aim to hold general free reserves representing six months' unrestricted expenditure, in order to provide adequate reserves to protect against unexpected downturns, including a significant reduction in income. This amounted to £5,617k as at 30 September 2020 (2019: £4,689k), meaning actual free

## FINANCIAL REVIEW (continued)

reserves of £8,630k represent 9.2 months' provision (2019: 3.8 months'). However, as a result of the COVID-19 pandemic a substantial loss is forecast for 2021, meaning free reserves will reduce significantly.

Designated funds were £1,802k at 30 September 2020 (2019: £1,722k). These are principally the balances designated for Sections of £1,538k. This is an increase of £95k from £1,443k in 2019, meaning that COVID-19 did not have a negative impact on Section finances in total, although it impacted each Section differently.

### Restricted and permanent endowment funds

Restricted funds increased marginally to £3,042k at 30 September 2020 (2019: £2,970k).

Permanent endowment funds fell to £1,757k (2019: £2,233k) with unrealised net losses on investments of £476k (2019: £164k loss).

## Investments

### Strategy

The RSM's investment strategic objective is to achieve good returns consistent with an acceptable level of risk, accounting for the needs of the RSM's different funds.

There are three portfolios:

- **Permanent Endowment Fund:** holding the capital of all permanent endowment funds. As the capital of these funds cannot be spent but the income earned can, the return objective is to maximise income, targeting 3.5 – 4.0% yield per annum growing in line with inflation.
- **Expendable Endowment Fund:** holding the capital of restricted funds, with a total annual return (capital and income) objective of inflation plus 3.0% in order to protect capital whilst generating income to spend.
- **Unrestricted Endowment Fund:** holding unrestricted funds not deemed as required for expenditure in the short- or medium-term, with a total annual return (capital and income) objective of inflation plus 3.0% to 3.5% in order to protect capital from inflation.

Funds are invested with Cazenove Capital. The Investment Committee reviews performance of the portfolio on a quarterly basis against appropriate benchmarks.

In addition, the Society holds shares in the NASDAQ-quoted company GW Pharmaceuticals plc, arising from generous donations from two benefactors. At 30 September 2020, these had a market value of £179k (2019: £255k). Shares worth £13k were sold in 2020.

In December 2019, the Investment Committee reviewed portfolio risk and concluded that it wished to reduce its exposure to equities. As a result, investments of £1,250k

were sold for cash, ahead of market falls as a result of the COVID-19 pandemic.

### Ethical investment policy

The Trustees are aware of their responsibility to invest funds in a responsible manner, as well as to provide a good risk-adjusted return. This position reflects charity legal requirements and case law, including *Cowan v Scargill* (1985) and *Harries v The Church Commissioners for England* (1992).

The RSM's policy does not permit the holding of investments in any company with tobacco interests screened at more than 10% of revenue. It also does not permit the direct holding of investments whose primary business is in gambling, arms, pornography or fossil fuels (thermal coal and tar sands), screened at more than 10% of revenue. The total value of funds invested indirectly should not be more than 5% in these areas.

### Performance

There was an unrealised loss on investments of £943k (2019: £479k), primarily due to the impact of the COVID-19 pandemic on global stock markets.

### Going concern

COVID-19 has had an ongoing material impact on the RSM's operations and finances in 2020 and into 2021, with the temporary closure of the in-person education programme, hotel, restaurant and commercial events business. As a result, a significant loss is forecast for 2021, following on from the position set out in this report.

The RSM has taken measures to reduce costs to mitigate the financial impact of COVID-19. Unfortunately, this has resulted in significant staff redundancies, in addition to other cost savings. Headcount has reduced from 188 in March 2020 to 125 at September 2020 and to 106 by February 2021. At the same time, use has been made of the UK Government's Job Retention Scheme (furlough), with £644k of grant income to September 2020 and £744k to December 2021. In addition, The RSM has made a successful application under the Coronavirus Business Interruption Loan Scheme (CIBL) to provide further cash to help manage the impact of COVID-19 on the charity's business.

At September 2020, the group has adequate levels of cash and reserves. As stated in this review, the RSM had free reserves of £8,630k at 30 September 2020, representing 9.2 months' unrestricted expenditure. The group accounts also show cash holdings of £13,541k, of which £10,287k was unrestricted.

A cash forecast exercise has been undertaken for the group to March 2022 along with financial modelling to December 2024, with further analysis for the charity and RSM Commercial Services Ltd. This is based on budgeted information, known and highly likely variances to planning assumptions, as well

## FINANCIAL REVIEW (continued)

as identification of potential downside pressures (e.g. further unplanned disruption to business at Wimpole Street as a result of COVID-19 reducing commercial and educational events, hotel and restaurant income), as well as mitigations to control costs. There is clearly uncertainty over when COVID-19 restrictions and business impact will recede, but Trustees believe that they have downgraded planning assumptions to adequately reflect this. The review concludes that:

- In total, cash held by the group is sufficient to cover requirements to March 2022 and beyond.
- RSM: the charity's position follows that of the group, as it holds the majority of its cash and other assets.
- RSM Commercial Services Limited: forecasts for the trading company indicate that the cash position is in line with assumptions set out in its five year business plan and within the terms set out in loan and overdraft agreements with the RSM.

RSM Commercial Services Ltd has been more severely impacted than the charity. A formal agreement with the RSM also provides RSM Commercial Services Ltd with appropriate financial protection should COVID-19 restrictions mean the Wimpole Street building is not open for business.

In early 2021, the SMT is developing further cost reduction and funding options to support the RSM's charitable operations. These include contingency planning should underlying business deteriorate from planning assumptions.

As a consequence of the above, Trustees remain satisfied that the RSM can continue operating for the foreseeable future. No material uncertainties have been identified and the Trustees consider it appropriate for the accounts to be prepared on a going concern basis.

Signed on behalf of the Members of Council on 30 March 2021



**Professor Linda Luxon**  
CBE FRCP  
Honorary Treasurer



**Professor Roger Kirby**  
MD FRCS  
President

# Independent auditor's report to Trustees of The Royal Society of Medicine

## Opinion

We have audited the financial statements of The Royal Society of Medicine ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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's and of the Parent Charity's affairs as at 30 September 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## 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 and the Parent Charity in accordance with the ethical requirements 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 related 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 the 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 other information comprises: President's Report, Chief Executive's Report, Governance and Financial Review. 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 Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustees' responsibilities statement, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 Group or the parent 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 report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

BDO LLP, statutory auditor  
Gatwick UK 1 April 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated statement of financial activities

		UNRESTRICTED FUNDS			RESTRICTED FUNDS	ENDOWED FUNDS	TOTAL FUNDS 2020				TOTAL FUNDS 2019
		Continuing operations	Discontinued operations	Total	Continuing operations	Continuing operations	Continuing operations	Discontinued operations	Total	Restated	
notes		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>INCOME FROM:</b>											
<b>Donations and legacies</b>	4	1,141	-	1,141	455	-	1,596	-	1,596		736
<b>Other trading activities</b>											
Conferencing and hospitality		2,913	610	3,523	-	-	2,913	610	3,523		7,360
Rental income		35	-	35	-	-	35	-	35		55
		2,948	610	3,558	-	-	2,948	610	3,558		7,415
<b>Investments</b>	5	96	-	96	116	-	212	-	212		310
<b>Charitable activities</b>											
Education:											
Academic programme		1,040	-	1,040	-	-	1,040	-	1,040		1,993
Information resources		17	-	17	-	-	17	-	17		28
Publishing		186	-	186	-	-	186	-	186		192
Membership subscriptions	6	4,403	-	4,403	-	-	4,403	-	4,403		4,716
		5,646	-	5,646	-	-	5,646	-	5,646		6,929
<b>Other income</b>											
Profit on disposal of Chandos House	7	6,358	-	6,358	-	-	6,358	-	6,358		-
<b>Total income</b>		16,189	610	16,799	571	-	16,760	610	17,370		15,390
<b>EXPENDITURE ON:</b>											
<b>Raising funds</b>	8										
Fundraising costs		170	-	170	-	-	170	-	170		224
Conferencing and hospitality		4,288	547	4,835	-	-	4,288	547	4,835		7,327
Rental income costs		142	-	142	-	-	142	-	142		98
Investment management costs		12	-	12	-	-	12	-	12		28
		4,612	547	5,159	-	-	4,612	547	5,159		7,677
<b>Charitable activities</b>	8										
Education:											
Academic programme		4,728	-	4,728	186	-	4,914	-	4,914		5,325
Information resources		3,263	-	3,263	119	-	3,382	-	3,382		2,603
Publishing		159	-	159	-	-	159	-	159		146
Membership subscriptions		1,808	-	1,808	-	-	1,808	-	1,808		894
		9,893	-	9,958	305	-	10,263	-	10,263		8,968
<b>Total expenditure</b>		14,570	547	15,117	305	-	14,875	547	15,422		16,645
<b>NET INCOME/(EXPENDITURE) BEFORE INVESTMENT LOSSES</b>		1,619	63	1,682	266	-	1,885	63	1,948		(1,255)
Net (losses) on investments	13	(273)	-	(273)	(194)	(476)	(943)	-	(943)		(479)
<b>NET INCOME / (EXPENDITURE)</b>		1,346	63	1,409	72	(476)	942	63	1,005		(1,734)
<b>NET MOVEMENT IN FUNDS</b>		1,346	63	1,409	72	(476)	942	63	1,005		(1,734)
<b>RECONCILIATION OF FUNDS</b>											
Total funds brought forward		31,135	-	31,135	2,970	2,233	36,338	-	36,338		38,072
<b>Total funds carried forward</b>	20,21	32,481	63	32,544	3,042	1,757	37,280	63	37,343		36,338

The Statement of Financial activities includes all gains and losses recognised in the year. The amounts relate to continuing activities and discontinued activities.

The notes on pages 25 to 38 form part of these financial statements.

## Consolidated and charity balance sheets

	notes	GROUP		CHARITY	
		2020 £000	2019 £000 Restated	2020 £000	2019 £000 Restated
<b>FIXED ASSETS</b>					
Tangible assets	11	18,101	22,315	18,101	18,726
Intangible assets	12	665	1,246	665	1,246
Investments					
Property	13	-	-	-	9,200
Investment funds	13	4,777	6,932	4,777	6,932
Heritage assets	14	3,346	3,346	3,346	3,346
Shares in subsidiary companies	10	-	-	2	2
<b>TOTAL FIXED ASSETS</b>		<b>26,889</b>	<b>33,839</b>	<b>26,891</b>	<b>39,452</b>
<b>CURRENT ASSETS</b>					
Stocks	15	51	64	-	-
Debtors	16	1,355	2,371	1,619	1,929
Short term investments	13	179	255	179	255
Bank deposits		13,205	3,928	13,205	3,928
Bank and cash balances		336	1,216	320	1,208
		15,126	7,834	15,323	7,320
<b>CREDITORS: Amounts falling due within one year</b>	17	(3,757)	(4,189)	(3,447)	(3,871)
<b>NET CURRENT ASSETS</b>		<b>11,369</b>	<b>3,645</b>	<b>11,876</b>	<b>3,449</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	18	(862)	(1,053)	(862)	(1,053)
<b>PROVISIONS FOR LIABILITIES</b>	19	(53)	(93)	(53)	(93)
<b>NET ASSETS</b>	22	<b>37,343</b>	<b>36,338</b>	<b>37,852</b>	<b>41,754</b>
<b>FUNDS</b>					
Unrestricted Funds:					
Tangible fixed assets fund		22,112	26,607	22,112	32,218
Other designated funds		1,802	1,722	1,802	1,722
General fund		8,630	2,806	9,139	2,611
	20	<b>32,544</b>	<b>31,135</b>	<b>33,053</b>	<b>36,551</b>
Permanent endowment funds	21	1,757	2,233	1,757	2,233
Restricted funds	21	3,042	2,970	3,042	2,970
<b>TOTAL FUNDS</b>		<b>37,343</b>	<b>36,338</b>	<b>37,852</b>	<b>41,754</b>

Approved and authorised for issue on 30 March 2021 by Members of Council and signed:

Professor Roger Kirby MD, FRCS  
President

Professor Linda Luxon CBE FRCP  
Honorary Treasurer

The notes on pages 25 to 38 form part of these financial statements.

## Consolidated statement of cash flows

	2020	2020	2019	2019
	£000	£000	Restated £000	Restated £000
<b>Net cash (used in) operating activities</b>		(2,208)		(1,250)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Dividends from investments	183		267	
Proceeds from sale of Chandos House	10,025		-	
Purchase of property, plant and equipment and intangibles	(608)		(644)	
Proceeds from sale of long term investments	1,250		-	
Purchase of long term investments	-		(20)	
Cash inflow from bank interest	29		43	
Proceeds from sale of short term investments	38		30	
<b>Net cash generated/ (used) by investing activities</b>		10,917		(324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayments of loan finance: quarterly instalments paid	(300)		(300)	
Interest paid	(12)		(28)	
<b>Net cash used in financing activities</b>		(312)		(328)
<b>Change in cash and cash equivalents in the year</b>		8,397		(1,902)
Cash and cash equivalents at 1 October		5,144		7,046
<b>Cash and cash equivalents at 30 September</b>		13,541		5,144

## RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

Net income/ (expenditure) before investment (losses) for the reporting period (as per the SOFA)		1,948	(1,255)
Adjustments for:			
Depreciation	1,464		1,393
Profit on disposal of Chandos House	(6,358)		-
Interest / Dividends	(200)		(282)
Impairment write off intangible fixed assets	360		-
Decrease/ (increase) in debtors	1,016		(936)
Decrease/ (increase) in stock	13		(5)
(Decrease) in creditors	(411)		(48)
(Decrease) in provision	(40)		(117)
<b>Net cash provided by/ (used in) operating activities</b>		(2,208)	(1,250)

## ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 2020	Cash Flows	At 30 Sept 2020
	£000	£000	£000
<b>Cash and cash equivalent</b>			
Cash	1,216	(880)	336
Bank deposits	3,928	9,277	13,205
	5,144	8,397	13,541
<b>Borrowings</b>			
Debt due within one year	300	(300)	-
	300	(300)	-
<b>Total</b>	5,444	8,097	13,541

The notes on pages 25 to 38 form part of these financial statements.

# 1. ACCOUNTING POLICIES

## Basis of preparation

The accounts are prepared under the historical cost convention, except for the modification to include certain assets at valuation as specified in the accounting policies below.

The parent of the company, the Royal Society of Medicine (RSM) sold its leasehold interest in Chandos House in June 2020. All activities relating to discontinued activities have been presented in a separate column on the face of the SOFA on page 22.

The financial planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

COVID-19 has had an ongoing material impact on the RSM's operations and finances in 2020 and into 2021, with the temporary closure of the in-person education programme, hotel, restaurant and commercial events business. As a result, a significant loss is forecast for 2021, following on from the position has been set out earlier in this report.

A cash forecast exercise has been undertaken for the group to March 2022 along with financial modelling to December 2024, with further analysis for the charity and RSM Commercial Services Ltd. This is based on budgeted information, known and highly likely variances to planning assumptions, as well as identification of potential downside pressures (e.g. further unplanned disruption to business at Wimpole Street as a result of COVID-19 reducing commercial and educational events, hotel and restaurant income), as well as mitigations to control costs. There is clearly uncertainty over when COVID-19 restrictions and business impact will recede, but Trustees believe that they have downgraded planning assumptions to adequately reflect this. The review concludes that:

- In total, cash held by the group is sufficient to cover requirements to March 2022 and beyond.
- RSM: the charity's position follows that of the group, as it holds the majority of its cash and other assets.
- RSM Commercial Services Limited: forecasts for the trading company indicate that the cash position is in line with assumptions set out in its five year business plan and within the terms set out in loan and overdraft agreements with the RSM.

As a consequence of the above, Trustees remain satisfied that the RSM can continue operating for the foreseeable future and accounts have been prepared in the expectation that RSM remains a financially viable organisation. Full details can be found in the Financial Review.

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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Society meets the definition of a public benefit entity under FRS 102. As described further within the Governance section of the Trustees report on page 13, it is a Charity registered with the Charity Commission in England and Wales.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charity;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures but have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The accounts include the transactions, assets and liabilities of Special Trusts which are administered by the Society. A summary of these transactions is shown in note 21.

The accounts include transactions, assets and liabilities of Royal Society of Medicine Commercial Services Limited, and Royal Society of Medicine International Limited (dormant) which are wholly owned subsidiaries and are run as an integral part of the Society. The subsidiaries' accounts are produced separately as required by the Companies Act 2006 and are summarised in note 10.

The Society's activities, together with factors likely to affect its future development, including strategies for each area, performance and financial position, and commentary on the Society's financial activities and its cash flows are set out in the Trustees report on page 17 and elsewhere in the financial statements.

The SORP requires that income and costs are allocated where appropriate to charitable activities and to activities for raising funds. No separate SOFA has been presented for the Society alone as permitted by section 408 of the Companies Act 2006.

The accounting policy in respect of payments under Gift Aid by the subsidiary, Royal Society of Medicine Commercial Services Limited to its parent, the Royal Society of Medicine, is set out below.

## Significant judgements and key sources of estimation uncertainty

The Society's significant accounting policies are stated below. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity and judgement involved in their application and their impact on the consolidated financial statements.

Significant accounting 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.

## ACCOUNTING POLICIES (continued)

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are as follows:

- a) Valuation of the CRM system – an impairment review was carried out by management in this financial year and an impairment loss of £360k was recognised in the SOFA.
- b) Valuation of Heritage Assets - Heritage assets comprise its collection of books and manuscripts held in the RSM's Library. They are included in the balance sheet at their external valuation most recently carried out in December 2015 by Bonhams for insurance purposes, at their estimated auction value. The valuation in December 2015 is still deemed by the Trustees to be appropriate as there has been minimal movement in the insurance/ realisable value expected.

### Basis of consolidation

The Group comprises the Royal Society of Medicine and its subsidiaries which are set out in note 10 to these accounts. The principal trading subsidiary is Royal Society of Medicine Commercial Services Limited which operates the catering, accommodation and conference activities on behalf of the Society.

The consolidated financial statements incorporate the financial statements of the Society and its subsidiaries for the year ended 30 September 2020 and the comparative period.

Subsidiaries are entities controlled by the Society. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The turnover and expenditure of the subsidiaries are included within the consolidated SOFA. The assets and liabilities are included on a line by line basis in the consolidated balance sheet in accordance with FRS 102, section 9 'Consolidated and Separate Financial Statements.' The financial statements of all Group companies are prepared using consistent accounting policies.

The following are the accounting policies adopted for material items:

### Income

Income is included in the SOFA when the Society is legally entitled to the income, there is probability of receipt, and the amounts can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred.

Income is shown within four main categories in the Consolidated Statement of Financial Activities:

- Income from donations and legacies
- Income from other trading activities
- Income from investments
- Income from charitable activities

The following specific policies apply to categories of income:

- a) Legacies and donations
  - i) Donation income is recognised when received.
  - ii) Entitlement to legacy income is considered to be on the earlier of the date of payment or where there is sufficient evidence to provide the necessary probability that the legacy will be received and the value is measurable with sufficient reliability. This is defined as the point when the executor has notified the Society of probate.
  - iii) Income from Qualifying Charitable Donations is recognised at the date of the receipt of the associated donation.
- b) Income from other trading activities
  - i) Income from conferencing and hospitality is accounted for at the point of event date.
  - ii) Rental income is accounted for on an accruals basis.
- c) Investment income
  - i) Investment income, excluding interest from bank deposit accounts, is recognised on an accruals basis.
- d) Income from charitable activities
  - i) Membership subscriptions are accounted for on an accruals basis. The unexpired portion of annual subscriptions is deferred and reported under creditors in the balance sheet. Life membership income is reported over a 10 year period commencing in the month of receipt, with the unexpired balance deferred and reported under creditors.
  - ii) All other income from charitable activities is accounted for on an accruals basis.
- e) Income from government grants
  - i) Government grant income is accounted for on an accruals basis and therefore recognised in income over the periods in which the Society recognises the related costs for which the grant is intended to compensate.

Any income restricted to future accounting periods is deferred and recognised in those accounting periods.

### Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

The consolidated SOFA defines expenditure in two specific categories:

- Expenditure on raising funds
- Charitable activities

The expenditure on raising funds is comprised of those costs attributable to the provision of catering and accommodation services, managing the investment portfolio, rental income costs and fundraising costs which are those incurred in seeking voluntary contributions for the Society.

## ACCOUNTING POLICIES (continued)

The expenditure on charitable activities relate to the core charitable purposes of the Society – Education (academic programme and information resources), publishing and membership subscriptions.

Governance costs are those associated with the governance arrangements rather than the day-to-day management of the Society. These costs are allocated to expenditure on raising funds and charitable activities on the basis of estimated service usage within each area.

Support costs represent expenditure on administration, financial management, human resources, and information systems and marketing and communications – they assist the work of the Society but do not directly undertake charitable activities. These are allocated to expenditure on raising funds and charitable activities, on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

Termination payments are payable when employment is terminated by the Society before the normal retirement date or end of employment contract. Termination costs are recognised at the earlier of when the Society can no longer withdraw the offer of benefits or when the Society recognises any related restructuring costs.

### Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Trustees in accordance with the general objectives of the Society.

Designated funds are unrestricted funds that represent amounts set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of the general reserves.

The permanent endowment funds represent capital for the permanent benefit of the Society, and the income arising forms part of either restricted or unrestricted funds.

Restricted funds are subject to specific restrictions imposed by donors. The aim and use of the major restricted funds is set out in the notes in the financial statements.

### Impairments

The carrying values of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of fair value and its value in use. If the assets recoverable amount falls below its book value, an impairment charge is recognised to bring its book value down to the recoverable amount.

### Tangible fixed assets

Tangible fixed assets are measured at costs less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life which is reviewed annually.

Assets under construction are not depreciated until they are brought into use.

The estimated useful lives are as follows:

#### Leasehold Premises Non-Fabric

50 years

#### Leasehold Premises Fabric

100 years

#### Plant and Office Equipment

5 to 20 years

#### Major Computer Systems

4 to 7 years

#### Furnishings and Fittings

10 years

#### Intangible Assets

10 years

### Heritage assets

Heritage assets, being the contents of the Library, have been included in the Society's accounts as fixed assets since the year ended 30 September 2011. The heritage assets are included at fair value based on an estimated auction value in December 2015 carried out by Bonhams for insurance purposes. The Trustees consider that the value of the Library collection does not depreciate in value and, as such, no depreciation is charged.

### Investment property

The one investment property that was disposed of in June 2020 was measured at fair value at the reporting date in the charity only balance sheet and valuations in the prior year. This does not impact the group balance sheet for the prior year where it was treated as a fixed asset at depreciated cost.

### Investments

All investments under management are valued at the year-end market value. Quoted investments, all of which are quoted on a stock exchange, are also stated at the year-end market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

## ACCOUNTING POLICIES (continued)

### Stocks

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

### Debtors

Trade and other debtors are recognised at the settlement amount due, less any provision for bad or doubtful amounts. Such provisions are specific and applied in a consistent manner based on a debt's aging and other factors affecting potential recoverability.

### Short term investments

Quoted investments, all of which are quoted on a stock exchange, are stated at the year-end market value.

### Cash and cash equivalents

Cash, for the purpose of the Statement of Cash Flows, represents balances on hand. Bank deposits are those with a short maturity of three months or less. Such balances are subject to insignificant risk of changes in value and are readily convertible.

### Creditors

Trade and other creditors are recognised at transaction price due, after allowing for any trade discounts.

Deferred income represents invoices raised and cash receipts for which income recognition criteria is not yet met and will be satisfied in future accounting periods. Such amounts are not discounted.

### Taxation

As a registered charity, the Royal Society of Medicine is exempt from taxation of income and gains falling within Part 11 Corporation Tax Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects.

### Other financial instruments

The Society has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other.' The Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

### Employee benefits

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society through a Group Stakeholder Pension Scheme. The pension costs, shown in note 9, represent contributions payable by the Society to the scheme. Short-term employee benefits, including holiday pay and contributions to the defined contribution pension scheme, are recognised as an expense in the period in which they are incurred.

### Leasing contracts

The Society has two long-term operating lease agreements in relation to its properties. Lease premiums and other costs of acquiring long-term leases, together with subsequent leasehold improvements, are capitalised as tangible fixed assets in the group balance sheet and depreciated as shown in the depreciation policy above. Ongoing rentals under these leases are charged to the SOFA as they fall due under the terms of each lease.

### Translation of foreign currencies

The Society's functional and presentational currency is pound sterling. Income and expenditure items are converted at the date of the transactions. Assets and liabilities are converted at the rate ruling at the year-end. All differences are recognised in the SOFA.

### Receipt of payments from subsidiary undertaking under Qualifying Charitable Donation

The Society's subsidiary undertaking, Royal Society of Medicine Commercial Services Limited, has adopted a policy of paying all of its taxable profits, to the Society under Qualifying Charitable Donation in the next financial period when it is approved by the Directors of this subsidiary. If an operating profit exists at the balance sheet date, a tax liability arises in both the subsidiary and the group. The current tax liability will be reversed in the next financial period provided that the approved post year-end Qualifying Charitable Donation declaration is settled within nine months of the reporting date. Qualifying Charitable Donation payments are therefore recognised as distributions through equity.

# NOTES TO THE FINANCIAL STATEMENTS

## 2 PRIOR YEAR ADJUSTMENT

A material error in the calculation of deferred income was identified which impacted the prior year figures for membership income. Deferred income in 2018/19 was understated by £192k, with membership income in 2018/19 overstated by £192k. As the error was material to the charity's 2018/19 financial statements, a prior period adjustment has been recognised. Membership income in financial year 2018/19 was reported as £4,908k in last year's Annual Report. The adjustment increased net expenditure previously reported from £1,542k to £1,734k, and reduced the general fund from £2,998k to £2,806k.

## 3 RESTATED COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

The Charities SORP (FRS 102) requires the disclosure of comparative SOFA information on a fund specific basis, such that each column presented for the current period has an associated comparative, and this information is given below.

	notes	UNRESTRICTED FUNDS £000 Restated	RESTRICTED FUNDS £000	ENDOWED FUNDS £000	TOTAL FUNDS 2019 £000 Restated
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>		639	97	-	<b>736</b>
<b>Other trading activities</b>					
Conferencing and hospitality		7,360	-	-	<b>7,360</b>
Rental income		55	-	-	<b>55</b>
		7,415	-	-	<b>7,415</b>
<b>Investments</b>	<b>5</b>	150	160	-	<b>310</b>
<b>Charitable activities</b>					
Education:					
Academic programme		1,993	-	-	<b>1,993</b>
Information resources		28	-	-	<b>28</b>
Publishing		192	-	-	<b>192</b>
Membership subscriptions	<b>6</b>	4,716	-	-	<b>4,716</b>
		6,929	-	-	<b>6,929</b>
<b>Total income</b>		<b>15,133</b>	<b>257</b>	<b>-</b>	<b>15,390</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>	<b>8</b>				
Fundraising costs		224	-	-	<b>224</b>
Conferencing and hospitality		7,327	-	-	<b>7,327</b>
Rental income costs		98	-	-	<b>98</b>
Interest		28	-	-	<b>28</b>
		7,677	-	-	<b>7,677</b>
<b>Charitable activities</b>	<b>8</b>				
Education:					
Academic programme		5,095	230	-	<b>5,325</b>
Information resources		2,603	-	-	<b>2,603</b>
Publishing		146	-	-	<b>146</b>
Membership subscriptions		894	-	-	<b>894</b>
		8,738	230	-	<b>8,968</b>
<b>Total expenditure</b>		<b>16,415</b>	<b>230</b>	<b>-</b>	<b>16,645</b>
<b>NET INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		<b>(1,282)</b>	<b>27</b>	<b>-</b>	<b>(1,255)</b>
Net (losses) on investments	<b>12</b>	(230)	(85)	(164)	<b>(479)</b>
<b>NET MOVEMENT IN FUNDS IN PRIOR YEAR</b>		<b>(1,512)</b>	<b>(58)</b>	<b>(164)</b>	<b>(1,734)</b>

## 4 DONATIONS AND LEGACIES

	2020 £000	2019 £000
Donations	942	693
Legacies	10	43
Government Grant	644	-
	<b>1,596</b>	<b>736</b>

Government Grant is for support received from the Coronavirus Job Retention Scheme (furlough).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

5 INVESTMENT INCOME	2020 £000	2019 £000
Dividends	183	267
Bank interest	29	43
	212	310
6 MEMBERSHIP SUBSCRIPTIONS		Restated
Membership subscription fees received	5,687	4,935
Deferred to next year	(1,681)	(1,259)
Deferred to more than one year	(862)	(1,053)
Released to income	1,259	2,093
Net adjustment	(1,284)	(219)
<b>Net membership subscriptions</b>	<b>4,403</b>	<b>4,716</b>

Income from membership subscriptions was overstated in 2019, so has been restated.

7 OTHER INCOME		
Profit on sale of disposal of Chandos House	6,358	-

## 8 ANALYSIS OF EXPENDITURE

### (a) SUPPORT COSTS 2020

	Governance £000	Facilities Management £000	IT £000	Management & Admin £000	Total 2020 £000
<b>Cost of generating funds</b>					
Fundraising (including Investment Management)	3	13	23	58	97
Conferencing and hospitality	15	475	140	288	918
Rental income	-	47	-	22	69
	18	535	163	368	1,084
<b>Charitable expenditure</b>					
Education: Academic programme	115	427	300	962	1,804
Education: Information resources	55	545	101	208	909
Publishing	6	-	-	28	34
Membership subscriptions	109	25	149	333	616
	285	997	550	1,531	3,363
<b>Total Support Costs</b>	<b>303</b>	<b>1,532</b>	<b>713</b>	<b>1,899</b>	<b>4,447</b>

### (a) SUPPORT COSTS 2019

	Governance £000	Facilities Management £000	IT £000	Management & Admin £000	Total 2019 £000
<b>Cost of generating funds</b>					
Fundraising (including Investment Management)	51	11	-	121	183
Conferencing and hospitality	24	708	239	217	1,188
Rental income	-	42	-	14	56
	75	761	239	352	1,427
<b>Charitable expenditure</b>					
Education: Academic programme	150	350	307	1,048	1,855
Education: Information resources	38	471	86	123	718
Publishing	7	-	-	18	25
Membership subscriptions	72	6	144	244	466
	267	827	537	1,433	3,064
<b>Total Support Costs</b>	<b>342</b>	<b>1,588</b>	<b>776</b>	<b>1,785</b>	<b>4,491</b>

Support costs are allocated to the costs of generating funds and charitable expenditure on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

<b>(b) EXPENDITURE 2020</b>	<b>Staff Costs £000</b>	<b>Support Costs £000</b>	<b>Other £000</b>	<b>Depreciation £000</b>	<b>Total 2020 £000</b>
<b>Expenditure on raising funds:</b>					
Fundraising costs	44	97	11	18	170
Conferencing and hospitality	3,319	918	598	-	4,835
Rental income costs	-	69	1	72	142
Interest cost	-	-	12	-	12
	3,363	1,084	622	90	5,159
<b>Expenditure on charitable activities:</b>					
Education: Academic programme	1,202	1,804	1,327	581	4,914
Education: Information resources	449	909	1,241	783	3,382
Publishing	58	34	67	-	159
Membership subscriptions	353	616	829	10	1,808
	2,062	3,363	3,464	1,374	10,263
<b>Total expenditure</b>	<b>5,425</b>	<b>4,447</b>	<b>4,086</b>	<b>1,464</b>	<b>15,422</b>

<b>(b) EXPENDITURE 2019</b>	<b>Staff Costs £000</b>	<b>Support Costs £000</b>	<b>Other £000</b>	<b>Depreciation £000</b>	<b>Total 2019 £000</b>
<b>Expenditure on raising funds:</b>					
Fundraising costs	4	183	26	11	224
Conferencing and hospitality	3,518	1,188	2,071	550	7,327
Rental income costs	-	56	1	41	98
Interest cost	-	-	28	-	28
	3,522	1,427	2,126	602	7,677
<b>Expenditure on charitable activities:</b>					
Education: Academic programme	1,093	1,855	2,043	334	5,325
Education: Information resources	410	718	1,024	451	2,603
Publishing	54	25	67	-	146
Membership subscriptions	302	466	120	6	894
	1,859	3,064	3,254	791	8,968
<b>Total expenditure</b>	<b>5,381</b>	<b>4,491</b>	<b>5,380</b>	<b>1,393</b>	<b>16,645</b>

<b>Auditor's fees and expenses include the following:</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Fees payable to the auditors of The Royal Society of Medicine:		
in respect of the charity audit	27	35
in respect of the subsidiary audits	10	10
in respect of the subsidiary audit prior year	2	-
Other non-audit services:		
in respect of taxation compliance	15	7
in respect of other services	-	10
<b>Total fees payable to auditor</b>	<b>54</b>	<b>62</b>

### 9 EMPLOYEE COSTS

Members of Council do not receive remuneration. The total sum relating to reimbursement of expenses and benefits for accommodation amounted to £2,386 for 4 members (2019: £2,442 for 4 members).

<b>The average number of persons employed during the period was:</b>	<b>Total 2020 Number</b>	<b>Total 2019 Number</b>
Generating voluntary income	1	-
Generating income from conferencing and hospitality	105	117
Education: Academic programme	28	26
Education: Information resources	13	13
Marketing & Communications	19	18
Governance	1	1
Support functions	14	14
<b>Total number of persons</b>	<b>181</b>	<b>189</b>

The above figures are calculated on monthly averages across each 12-month period. Due to the closure of significant parts of its operations due to the COVID-19 pandemic, the Society has had to make significant redundancies in August 2020. As a result, total headcount at September 2020 was reduced to 125, of which 57 relate to conferencing and hospitality.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9 EMPLOYEE COSTS (CONTINUED)

Total employment costs were:	Total 2020 £000	Total 2019 £000
Staff costs amounted to:		
Wages and salaries	5,504	5,352
Social security costs	556	531
Defined contribution pension costs	515	489
Termination payments	150	107
Other employment costs / life assurance	902	1,072
<b>Total employment costs</b>	<b>7,627</b>	<b>7,551</b>

Staff costs of £2,202k (2019: £2,170k) are included within Support Costs above in note 8. All staff are employed by Royal Society of Medicine Commercial Services Limited and their costs are recharged to the Society. The above analysis includes the recharged amounts and represents the group costs. Wages and salaries are shown before any deduction for salary sacrifice arrangements. Total termination payments for 2020 were £150k for the RSM (2019: £107k).

The Society benefited from the UK Government's Coronavirus Job Retention Scheme and staff who were not business critical were furloughed. Grant Income of £644k has been claimed back from the government during the pandemic.

The number of employees whose gross remuneration and taxable benefits but not employer pension costs who exceeded £60,000 and upwards and fell within the following ranges were:

	2020 No.	2019 No.
The number of employees in the following remuneration bands were as follows:		
£60,001 to £70,000	2	2
£80,001 to £90,000	1	1
£90,001 to £100,000	3	-
£100,001 to £110,000	1	1
£120,001 to £130,000	-	1
£130,001 to £140,000	-	-
£140,001 to £150,000	1	-
£190,001 to £200,000	-	1

	£000	£000
Pension contributions paid into a defined contribution scheme in respect of the above identified higher paid employees amounted to:	112	86

There were payments for redundancies or loss of office of £14,734 (2019: £90,126) to staff receiving remuneration of over £60,000.

### Key management personnel

The key management personnel are the members of the Senior Management Team (listed on page 12). The total employee benefits (including pension) paid to key management personnel was £744k (2019: £716k).

The remuneration during the year for Michele Acton, Chief Executive, comprised remuneration payments of £160,925 (2019: £59,268) which included benefits in kind of £2,654 (2019: £885) and employer's national insurance contributions of £18,271 (2019: £6,644). The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £24,500 (2019: £9,054). The prior year comparatives are from 20 May 2019 when Michele Acton commenced working for the Society.

## 10 SUBSIDIARIES

The Society has two wholly-owned subsidiaries. It holds 1,000 ordinary shares of £1 each in Royal Society of Medicine Commercial Services Limited (RSMCS Ltd Company No. 2820374). The Company operates the catering, accommodation and conference activities on behalf of the Society. RSMCS Ltd gift aids its taxable profit to the Society. The Society also holds 1,000 ordinary shares of £1 each in Royal Society of Medicine International Limited (Company No. 08781651) which was incorporated in 2013. The company remained dormant in 2019. A summary of the results and summary balance sheet for RSMCS Ltd is as follows:

	RSMCS Ltd	
	2020 £000	2019 £000
<b>PROFIT AND LOSS ACCOUNTS</b>		
Turnover	4,166	7,352
Cost of sales	(3,629)	(4,304)
Gross profit	537	3,048
Administrative expenses	(1,206)	(3,017)
(Loss) / profit for the year before taxation	(669)	31
Tax charge	-	(6)
Retained (loss) / profit for the year	(669)	25
<b>BALANCE SHEETS</b>		
	2020 £000	2019 £000
Stocks	51	64
Debtors	145	939
Bank balances	15	8
Trade and other creditors	(720)	(816)
Net (liabilities)/ assets	(509)	195

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11 TANGIBLE FIXED ASSETS

Group	Leasehold Premises £000	Furnishings and Fittings £000	Plant, Vehicles & Office Equipment £000	Group Total £000
<i>Cost or Valuation</i>				
At 1 October 2019	27,091	600	10,343	38,034
Additions	-	-	355	355
Disposals	(4,396)	-	(784)	(5,180)
At 30 September 2020	22,695	600	9,914	33,209
<i>Depreciation</i>				
At 1 October 2019	6,647	588	8,484	15,719
Charge for year	379	4	607	990
Disposals	(840)	-	(761)	(1,601)
At 30 September 2020	6,186	592	8,330	15,108
<b>Net Book Value at 30 September 2020</b>	<b>16,509</b>	<b>8</b>	<b>1,584</b>	<b>18,101</b>
Net Book Value at 30 September 2019	20,444	12	1,859	22,315

The insured value of the assets (insurance brokers, Arthur J Gallagher Ltd) included in Leasehold Premises as at 30 September 2020, including Domus refurbishment, is £70.3m (2019: £77.0m).

Charity	Leasehold Premises £000	Furnishings and Fittings £000	Plant, Vehicles & Office Equipment £000	Charity Total £000
<i>Cost or Valuation</i>				
At 1 October 2019	22,695	600	10,343	33,638
Additions	-	-	355	355
Disposals	-	-	(784)	(784)
At 30 September 2020	22,695	600	9,914	33,209
<i>Depreciation</i>				
At 1 October 2019	5,841	588	8,484	14,913
Charge for year	345	4	607	956
Disposals	-	-	(761)	(761)
At 30 September 2020	6,186	592	8,330	15,108
<b>Net Book Value at 30 September 2020</b>	<b>16,509</b>	<b>8</b>	<b>1,584</b>	<b>18,101</b>
Net Book Value at 30 September 2019	16,855	12	1,859	18,726

## 12 INTANGIBLE FIXED ASSETS

Group and Charity	Software £000	Assets in course of construction £000	Group and Charity Total £000
<i>Cost or Valuation</i>			
At 1 October 2019	2,180	13	2,193
Additions	253	-	253
Transfers	13	(13)	-
Impairment write off	(360)	-	(360)
At 30 September 2020	2,086	-	2,086
<i>Depreciation</i>			
At 1 October 2019	947	-	947
Charge for year	474	-	474
At 30 September 2020	1,421	-	1,421
<b>Net Book Value at 30 September 2020</b>	<b>665</b>	<b>-</b>	<b>665</b>
Net Book Value at 30 September 2019	1,233	13	1,246

Included in the above is the CRM system of which the carrying value was £728k at 30 September 2020 (2019: £801k) before the impairment review. An impairment review was carried out at the year-end, and a £360k impairment loss (2019: £100k impairment loss) to the CRM system and website was recognised in the SOFA during the financial year. The carrying value of the CRM after the impairment review was £368k at 30 September 2020 (2019: £701k).

The impairment loss arose as a result of a downgrading of assumptions on CRM benefits set out in the business case (cost savings and Membership income growth).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 13 INVESTMENTS

	Charity	
Long term investments:	Total 2020 £000	Total 2019 £000
<b>Property</b>		
<b>Carrying value (fair value)</b>		
Market value 1 October 2019	9,200	9,200
Sale of investment	(9,200)	-
<b>Market value 30 September 2020</b>	-	9,200

The one investment property (Chandos House) was included at valuation on an open market basis prior to its sale in June 2020.

It was valued by the Trustees taking into account valuation guidance by the RSM's property advisers, Cluttons LLP.

The methodology takes into account a number of factors, including the property market and passing rents.

	Group and Charity	
	Total 2020 £000	Total 2019 £000
Market value 1 October 2019	6,932	7,283
Additions at cost	-	20
Transfer to cash	(1,250)	-
Realised and unrealised losses on revaluation	(905)	(371)
<b>Market value 30 September 2020</b>	<b>4,777</b>	<b>6,932</b>

### Short term investments:

Market value 1 October 2019	255	393
Disposal	(38)	(30)
Market value (losses)	(38)	(108)
<b>Market value 30 September 2020</b>	<b>179</b>	<b>255</b>

The total market value at 30 September comprises:

Units in charity-approved multi-asset portfolio Common Investment Fund	4,777	6,932
Investments quoted on recognised stock exchange	179	255
<b>Total Investment Funds</b>	<b>4,956</b>	<b>7,187</b>

## 14 HERITAGE ASSETS

	Group and Charity	
Books and manuscripts	Total 2020 £000	Total 2019 £000
Value 1 October	3,346	3,346
<b>Value 30 September</b>	<b>3,346</b>	<b>3,346</b>

Heritage assets comprise its collection of books and manuscripts held in the RSM's Library. They are included in the balance sheet at their external valuation most recently carried out in December 2015 by Bonhams for insurance purposes, at their estimated auction value. The valuation in December 2015 is still deemed to be appropriate as there has been minimal movement in the insurance/realisable value expected.

There have been no additions, disposals or impairments in the periods represented.

### Five year financial summary of heritage asset transactions:

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Books and manuscripts	3,346	3,346	3,346	3,346	3,346

All heritage assets are maintained and managed through the heritage asset register which is overseen by the Acting Director of Learning. The preservation of these assets is the responsibility of the Acting Director of Learning, or nominated deputy. The Society has exhibited these assets in the past through exhibitions held for public benefit.

## 15 STOCKS

	GROUP		CHARITY	
	2020 £000	2019 £000	2020 £000	2019 £000
Goods for resale	51	64	-	-
	51	64	-	-

# NOTES TO THE FINANCIAL STATEMENTS (continued)

16 DEBTORS	GROUP		CHARITY	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade debtors	73	538	34	109
Other debtors	633	576	527	563
Prepayments and accrued income	555	1,257	555	1,257
Amounts due from subsidiary undertakings	-	-	408	-
Tax and Social Security	94	-	95	-
	1,355	2,371	1,619	1,929

17 CREDITORS: Amounts due within one year	GROUP		CHARITY	
	2020 £000	2019 Restated £000	2020 £000	2019 Restated £000
Bank loan	-	300	-	300
Trade creditors	663	607	589	360
Accruals and deferred income	1,078	1,413	956	978
Membership subscription income deferred (note 6)	1,681	1,259	1,681	1,259
Tax and social security	116	267	2	132
Amounts due to subsidiary undertakings	-	-	-	499
Other creditors	219	343	219	343
	3,757	4,189	3,447	3,871

18 CREDITORS: Amounts falling due after more than one year	GROUP		CHARITY	
	2020 £000	2019 Restated £000	2020 £000	2019 Restated £000
Membership subscription income deferred (note 6)	862	1,053	862	1,053
	862	1,053	862	1,053

19 PROVISIONS FOR LIABILITIES	GROUP		CHARITY	
	2020 £000	2019 £000	2020 £000	2019 £000
Provision	53	93	53	93
	53	93	53	93

## 20 MOVEMENT IN GROUP UNRESTRICTED FUNDS

2020 Group	Balance 2019 Restated £000	Transfers £000	Net income £000	Net (losses) on investments £000	Balance 2020 £000
General	2,806	(140)	6,217	(253)	8,630
Designated Funds:					
Fixed Assets	26,607	(12)	(4,483)	-	22,112
Educational Funds	229	-	5	(20)	214
Sections' funds (note 24)	1,443	140	(45)	-	1,538
Academic Fund (note 24)	50	12	(12)	-	50
	31,135	-	1,682	(273)	32,544

2019 Group	Balance 2018 Restated £000	Transfers £000	Net expenditure Restated £000	Net (losses) on investments £000	Balance 2019 Restated £000
General	3,851	(29)	(793)	(223)	2,806
Designated Funds:					
Fixed Assets	27,056	(25)	(424)	-	26,607
Educational Funds	230	-	6	(7)	229
Sections' funds	1,460	29	(46)	-	1,443
Academic Fund	50	25	(25)	-	50
	32,647	-	(1,282)	(230)	31,135

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 20 MOVEMENT IN GROUP UNRESTRICTED FUNDS (CONTINUED)

2020 Charity	Balance 2019 Restated £000	Transfers £000	Net income £000	Net (losses) on investments £000	Balance 2020 £000
General	2,611	(140)	6,921	(253)	9,139
Designated Funds:					
Fixed Assets	32,218	(12)	(10,094)	-	22,112
Educational Funds	229	-	5	(20)	214
Sections' funds (note 24)	1,443	140	(45)	-	1,538
Academic Fund (note 24)	50	12	(12)	-	50
	36,551	-	(3,225)	(273)	33,053

2019 Charity	Balance 2018 £000	Transfers £000	Net expenditure Restated £000	Net (losses) on investments £000	Balance 2019 Restated £000
General	3,590	(29)	(727)	(223)	2,611
Designated Funds:					
Fixed Assets	32,622	(25)	(379)	-	32,218
Educational Funds	230	-	6	(7)	229
Sections' funds	1,460	29	(46)	-	1,443
Academic Fund	50	25	(25)	-	50
	37,952	-	(1,171)	(230)	36,551

The Tangible Fixed Assets Fund represents the net book value of fixed and heritage assets at 30 September 2020 after deducting related loan balances. The Designated Educational Funds represent monies set aside predominantly to support Sections as described in note 24.

## 21 PERMANENT ENDOWMENT AND RESTRICTED FUNDS – GROUP AND CHARITY

	Permanent endowment funds			Restricted funds			
	Balance 2019 £000	(Losses) on invt £000	Balance 2020 £000	Balance 2019 £000	Income / (losses) on invt £000	Expenditure £000	Balance 2020 £000
Coloproctology funds	39	(8)	31	58	(3)	-	55
Cowley Fund	98	(21)	77	-	3	-	3
Dobson Bequest	-	-	-	69	(4)	-	65
Dowling Endowment	60	(13)	47	(3)	2	-	(1)
Ellison-Cliffe Lecture	161	(35)	126	18	5	(5)	18
M Feiwei	-	-	-	51	(4)	(1)	46
Finzi Bequest	-	-	-	326	(24)	(1)	301
Louis Forman Fund	-	-	-	209	(13)	-	196
John Glynn Young Fellows Prize	39	(8)	31	10	1	(1)	10
International Relations	-	-	-	39	(8)	-	31
Jephcott Lecture Fund	1,012	(216)	796	191	29	(15)	205
Richard Kovacs Fund	153	(33)	120	86	(4)	-	82
G Levene Memorial Fund	-	-	-	85	(7)	(3)	75
London Clinic	-	-	-	10	60	-	70
Mental Health Initiatives	-	-	-	34	-	-	34
Ophthalmology Fund	48	(10)	38	17	1	-	18
Rank Fund	-	-	-	261	(12)	-	249
Smith Kline French	136	(29)	107	45	4	-	49
Stevens Fund	-	-	-	386	(10)	-	376
Lord Soulsby	-	-	-	69	(6)	-	63
RSM Foundation	-	-	-	194	(16)	(1)	177
Hadley Trust Fund	-	-	-	30	25	(20)	35
Various Funds of less than £30,000	487	(103)	384	785	358	(258)	885
<b>Totals</b>	<b>2,233</b>	<b>(476)</b>	<b>1,757</b>	<b>2,970</b>	<b>377</b>	<b>(305)</b>	<b>3,042</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Details of the major funds (over £100,000) are as follows:

- Ellison-Cliffe Lecture – To fund an annual lecture on fundamental sciences in advancement of medicine
- Finzi Bequest – To fund purposes for the benefit of the Section of Radiology, including an annual lecture
- Louis Forman Fund – To fund dermatology research with a view to publication and a prize awarded by the Dermatology Section
- Jephcott Lecture – To fund a series of lectures on a scientific and/or medical subject. Surplus income is available to be applied for other education purposes, with priority to science and medicine
- Richard Kovacs Fund – To fund a triennial lecture/visiting professorship organised by the Section of Rheumatology and Rehabilitation
- Rank Fund – The capital and income to be used to fund audio-visual content, in particular e-learning, including that spent by RSM Press
- Smith Kline French Fund – The income to be used for speakers' travel/accommodation expenses, and foreign business travel expenses of RSM representatives
- Stevens Fund – To fund the advancement of medical knowledge by the general public and to promote a closer understanding between the general public and the medical profession
- RSM Foundation – To fund the Hewitt and Frohlich awards, and cover costs of administration of these funds. Remaining funds can be used for the RSM's general charitable purposes of Medical Education.

### 22 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

2020	Unrestricted funds £000	Designated funds £000	Endowment funds £000	Restricted funds £000	Total funds £000
Fixed assets and heritage assets	-	22,112	-	-	22,112
Fixed asset investments	1,510	146	1,757	1,364	4,777
Current assets	11,792	1,656	-	1,678	15,126
Current liabilities	(3,757)	-	-	-	(3,757)
Liabilities due after more than one year	(862)	-	-	-	(862)
Provisions for liabilities	(53)	-	-	-	(53)
<b>Group Net Assets</b>	<b>8,630</b>	<b>23,914</b>	<b>1,757</b>	<b>3,042</b>	<b>37,343</b>

2019 Restated	Unrestricted funds £000	Designated funds £000	Endowment funds £000	Restricted funds £000	Total funds £000
Fixed assets and heritage assets	-	26,907	-	-	26,907
Fixed asset investments	2,578	166	2,233	1,955	6,932
Current assets	5,263	1,556	-	1,015	7,834
Current liabilities	(3,889)	(300)	-	-	(4,189)
Liabilities due after more than one year	(1,053)	-	-	-	(1,053)
Provisions for liabilities	(93)	-	-	-	(93)
<b>Group Net Assets</b>	<b>2,806</b>	<b>28,329</b>	<b>2,233</b>	<b>2,970</b>	<b>36,338</b>

### 23 FINANCIAL COMMITMENTS

#### (i) Operating leases

The total of future minimum rentals payable under non-cancellable operating leases at 30 September 2020 is £nil (2019: £34k).

#### (ii) Capital commitments

Capital expenditure contracted for, but not provided in the financial statements, was £215k (2019: £40k).

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 24 SECTION FUND BALANCES AND ACADEMIC FUND

Under the Section Finance Guidelines adopted by the Society's Council in 2009, the financial results of Sections' meeting programmes are shared with the Academic Fund (designed to fund academically strong but financially weak Sections) with the balance available to the Section to spend in accordance with the Society's educational charitable objectives.

All such balances are held as designated funds, as scheduled below.

Section	Year-end balance £		
Anaesthesia	28,847	Occupational Medicine	9,234
Cardiology	90,870	Open section	5,104
Cardiothoracic	3,301	Ophthalmology	81,303
Clinical Forensic & Legal Medicine	13,411	Oral & Maxillofacial Surgery	3,074
Clinical Immunology & Allergy	30,045	Orthopaedics	89,757
Clinical Neurosciences	11,331	Otology	19,681
Coloproctology	17,357	Paediatrics & Child Health	111,376
Comparative Medicine	2,078	Pain Medicine Section	19,149
Critical Care	20,931	Palliative Care	42,463
Dermatology	97,278	Pathology	26,086
Digital Health	40,973	Patient Safety	24,566
Emergency Medicine	15,039	Plastic Surgery	16,173
Endocrinology & Diabetes	39,272	Psychiatry	25,483
Epidemiology & Public Health	(2,116)	Quality in Healthcare	-
Food & Health Forum	16,017	Radiology	104,217
Gastroenterology & Hepatology	24,535	Respiratory Medicine	57,418
General Practice with Primary Healthcare	14,195	Retired Fellows	31,646
Geriatrics & Gerontology	6,736	Rheumatology & Rehabilitation	12,221
History of Medicine	14,364	Sexuality & Sexual Health	9,631
Hypnosis & Psychosomatic Medicine	14,251	Sleep Medicine	20,869
Intellectual Disability	(216)	Sport & Exercise Medicine	11,101
Laryngology & Rhinology	20,884	Student Members	38,741
Maternity and the Newborn	8,971	Surgery	9,841
Medical Genetics	13,577	Trainees	15,946
Military Medicine	15,491	Urology	83,832
Nephrology	30,927	Vascular, Lipid and Metabolic Medicine	28,558
Obstetrics & Gynaecology	15,751	Venous Forum	21,336
Odontology	(8,407)	<b>Total Section Funds</b>	<b>1,538,270</b>
Oncology	23,771	<b>Total Academic Fund</b>	<b>50,000</b>

## 25 CONTINGENT LIABILITIES

There were no contingent liabilities requiring disclosure.

## 26 POST BALANCE SHEET EVENTS

Events after the end of the reporting period.

Since 30 September 2020 to the date of signing these financial statements, the outbreak of the pandemic COVID-19 has continued to have an economic effect across all sectors and the Society has considered the effect on the Society as a going concern, its resilience through this period and the effect on the assets and funds of the Society. The Senior Management Team have reviewed the revised financial plans and agreed a series of activities that should ensure financial stability in these difficult times. The Society remains resilient by avoiding undue risk and through sound financial planning and management.

## 27 RELATED PARTY TRANSACTIONS

The Society has considered the disclosure requirements of the SORP for charities and FRS 102 'Related Party Disclosures' and believes that there are such transactions during this financial year.

During the year, sales of £559k (2019: £849k) were made on normal trading terms by RSM Commercial Services Limited, a wholly owned subsidiary of the Royal Society of Medicine, to the parent Charity. Management charges of £582k (2019: £1,719k) were made by RSM Commercial Services Limited to the parent Charity. As at 30 September 2020, £408k was owed to the parent Charity. At 30 September 2019 £499k was owed to the company by the parent charity.

An ex-gratia payment of £14,734 was made to Bridget Gildea, formerly Director of Learning, which was in excess of the amounts agreed through the original contract of employment.

# RSM Sections and their Presidents

Section	President 2020/21	President 2019/20
Anaesthesia	Dr Samantha Shinde	Dr Samantha Shinde
Cardiology	Dr Sukhjinder Nijjer	Professor Nikhil Patel
Cardiothoracic	Mr Aziz Momin	Dr Aziz Momin
Clinical Forensic & Legal Medicine	Dr Helena Thornton	Dr Helena Thornton
Clinical Immunology & Allergy	Dr Chris Rutkowski	Dr Tabi Leslie
Clinical Neurosciences	Dr Bridget Kathryn MacDonald	Dr Hadi Manji
Coloproctology	Professor Sue Clark	Miss Helen Chave
Comparative Medicine	Dr Martha Bower	Dr Martha Bower
Critical Care Medicine	Dr Peter Shirley	Dr Peter Shirley
Dermatology	Dr Christopher Harland	Dr Jane Sterling
Digital Health	Mr Loy Lobo	Mr Loy Lobo
Emergency Medicine	Dr Laurence Fitton	Dr Laurence Fitton
Endocrinology & Diabetes	Professor Ketan Dhataria	Professor Ketan Dhataria
Epidemiology & Public Health	Professor Gabriel Scally	Professor Gabriel Scally
Food & Health Forum	Mr Anthony Mander	Mr Anthony Mander
Gastroenterology & Hepatology	Dr Joel Mawdsley	Dr Joel Mawdsley
General Practice with Primary Healthcare	Dr Andrew Papanikitas	Dr Andrew Papanikitas
Geriatrics & Gerontology	Dr Pandora Wright	Professor Ronald Hamdy
History of Medicine Society	Professor Tilli Tansey	Professor Stephen Challacombe
Hypnosis & Psychosomatic Medicine	Dr Deborah Mairs-Houghton	Dr Deborah Mairs-Houghton
Intellectual Disability Forum	Professor Regi Tharian Alexander	Dr Martin Bollard
Laryngology & Rhinology	Mr Guri Sandhu	Professor Timothy Woolford
Maternity and the Newborn Forum	Mrs Roxane Chamberlain	Miss Nina Khazaezadeh
Medical Genetics	Dr Sarah Rae	Dr Sarah Rae
Medicine and Society	Dr Robina Shah	Dr Paquita de Zulueta
Military Medicine	Colonel Julian Woodhouse	Colonel Julian Woodhouse
Nephrology	Dr Stephen McAdoo	Dr Constantina Chrysochou
Obstetrics & Gynaecology	Dr Sangeeta Agnihotri	Dr Davor Jurkovic
Occupational Medicine	Dr Lisa Curran	Dr Lisa Curran
Odontology	Dr Deborah Bomfim	Ms Deborah Bomfim
Oncology	Professor Michael Seckl	Professor Michael Seckl
Ophthalmology	Mr Larry Benjamin	Mr Nicholas Lee
Oral & Maxillofacial Surgery	Mr Mehmet Manisali	Mr Mehmet Manisali
Orthopaedics	Mr Rajarshi Bhattacharya	Mr Raj Bhattacharya
Otology	Mr Philip Robinson	Mr Christopher Aldren
Paediatrics & Child Health	Dr Margarita Burmester	Dr Margarita Burmester
Pain Medicine	Dr Sibtain Anwar	Ms Louise Clark
Palliative Care	Dr Elizabeth Sallnow	Dr Elizabeth Sallnow
Pathology	Professor Amit Patel	Professor Amit Patel
Patient Safety	Miss Moira Durbridge	Dr Elizabeth Haxby
Plastic Surgery	Mr Naveen Cavale	Mr Naveen Cavale
Psychiatry	Professor Henrietta Bowden-Jones	Dr Valeria Mondelli
Radiology	Dr Cynthia Gupte	Dr Cynthia Gupte
Respiratory Medicine	Dr Neeraj Shah	Dr Neeraj Shah
Retired Fellows Society	Dr Richard Lansdown	Dr Richard Lansdown
Rheumatology & Rehabilitation	Dr Helen Cohen	Dr Maria Fernando
Sexuality & Sexual Health	Dr Huda Taha	Dr Huda Taha
Sleep Medicine	Dr Kirstie Anderson	Dr Kirstie Anderson
Sport & Exercise Medicine	Dr Daniel Brooke	Dr Ajai Seth
Students	Mr Aleksander Dawidziuk	Miss Adina Hafeez
Surgery	Mr Joe Ellul	Professor Ameet Patel
Trainees	Dr Barry McHugh	Dr Barry McHugh
Urology	Professor Justin Vale	Mr Michael Dinneen
Vascular, Lipid & Metabolic Medicine	Professor Saroj Das	
Venous Forum	Mr Ian Franklin	Mr Ian Franklin

During 2019/20 the Section of Lipids, Metabolism & Vascular Risk and the Section of Vascular Medicine merged to become the Section of Vascular, Lipid & Metabolic Medicine. Dr Shvini Misra was the President for the Lipids, Metabolism & Vascular Risk Section and Professor Saroj Das the President for the Vascular Medicine Section.

# Contacting the RSM

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